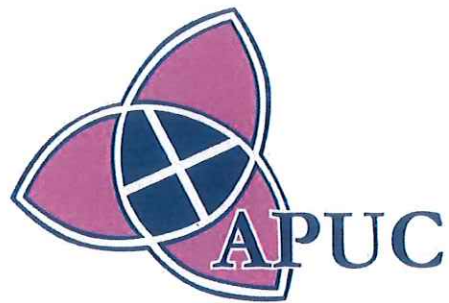


Company Registration Number SC314764



**Advanced Procurement
for Universities & Colleges**

**APUC LIMITED
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2023**

APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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**APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)**

**OFFICERS AND PROFESSIONAL
ADVISERS FOR THE YEAR ENDED 31 JULY
2023**

The Board of Directors

J McGeorge (Further and higher education sector) – Director and Chairman
M Cook (Further and higher education sector)
L Hamill (Further and higher education sector)
G Lines (Non-Sector)
P McNaull (Non-sector)
H Paul (Non-Sector) (appointed 1 November 2022)
P Smith (Further and higher education sector)
V Strachan (Further and higher education sector)
J Thomson (Further and higher education sector) (resigned 31 August 2023)
T Elliott (Further and higher education sector)
(A J Warren (Chief Executive)

Non-Sector directors and the Chief Executive receive remuneration which is detailed in Note 5 on Page 16.

Company Secretary M Caithness

Registered Office Unit 27
Stirling Business Centre
Wellgreen
STIRLING
FK8 2DZ

Auditor Chiene + Tait LLP (trading as CT)
Chartered Accountants & Statutory Auditor
61 Dublin Street
EDINBURGH
EH3 6NL

Bankers Bank of Scotland
PO Box 17235
EDINBURGH
EH11 1YH

Solicitors Thorntons Solicitors
33 Yeaman Shore
DUNDEE
DD1 4BJ

**APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)**

**THE DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2023**

The directors present their report and the financial statements of the company and the group for the year ended 31 July 2023.

Principal activities

APUC Limited is the Procurement and Supply Centre of Expertise for all of Scotland's Universities and Colleges. It aims to maximise the value of Scotland's investment in further and higher education by working in partnership with institutions to support and enable sustainable innovation in procurement, effective compliance and shared service optimisation. It provides a core team for delivery of collaborative activity for all member institutions and focussed specific shared service resources for delivery of services within institutions. In addition to this report, APUC issues a corporate Annual Report on activities each year which can be found on-line at <http://www.apuc-scot.ac.uk/#!/corpinfo>

Changes to Working Arrangement - Opportunities

After examining the positives and negatives experienced during remote and hybrid working of staff during the Covid-19 situation, APUC has made several changes to enable a continuation of some degree of remote working moving forward. This will continue to be monitored and reviewed if required.

Directors

The directors who served the company during the year are shown on page 2.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and the surplus or deficit of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the

APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)

THE DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2023 (cont)

company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

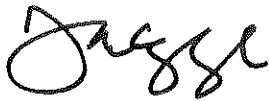
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the directors are aware:

- there is no relevant audit information of which the company and the group's auditor are unaware; and
- each director has taken all steps that he/she ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.



Signed on behalf of the directors
J McGeorge, Chairman

Approved by the directors on 16 November 2023

APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APUC LIMITED
FOR THE YEAR ENDED 31 JULY 2023

Opinion

We have audited the financial statements of APUC Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 July 2023 which comprise the consolidated statement of income and retained earnings, the consolidated balance sheet, the company balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and of the parent company's affairs as at 31 July 2023, and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APUC LIMITED
FOR THE YEAR ENDED 31 JULY 2023 (cont)**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors report and from the requirement to prepare a strategic report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APUC LIMITED
FOR THE YEAR ENDED 31 JULY 2023 (cont)**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the group's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the management of the parent entity and the directors;
- review of minutes of board meetings throughout the period, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APUC LIMITED
FOR THE YEAR ENDED 31 JULY 2023 (cont)**

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Chittleburgh (Senior Statutory Auditor)
For and on behalf of
CT
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

16 November 2023

APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 JULY 2023

		2023	2022
	Note	£	£
Turnover	1	4,625,063	4,979,826
Administrative expenses	3	4,537,645	5,072,184
Operating Surplus / (deficit)	4	<u>87,418</u>	<u>(92,358)</u>
Interest receivable		16,855	3
Surplus / (deficit) on ordinary activities before taxation		<u>104,273</u>	<u>(92,355)</u>
Tax on ordinary activities	6	3,810	6,625
Surplus / (deficit) for the year and total comprehensive income		<u>100,463</u>	<u>(98,980)</u>
Retained earnings at the start of the year		528,556	627,536
Retained earnings at the end of the year		<u>629,019</u>	<u>528,556</u>
Effect on the financial statements of the change in the provision for the USS pension deficit			
Surplus / (deficit) for the year and total comprehensive income as above		100,463	(98,980)
(Decrease) / Increase in provision for USS pension deficit	12	(87,082)	270,115
Underlying surplus		<u>13,381</u>	<u>171,135</u>

All activities of the group are from continuing operations.

The notes on pages 12 to 22 form part of these financial statements.

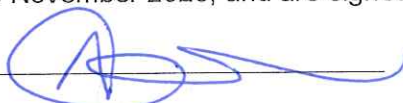
APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	7		24,252		31,079
Current assets					
Debtors	9	450,064		238,029	
Cash at bank	10				
- Unrestricted		1,732,859		1,843,326	
- Pension guarantee		644,160		641,333	
		<u>2,827,083</u>		<u>2,722,688</u>	
Creditors: amounts falling due within one year	11	1,142,946		999,463	
Net current assets			<u>1,684,137</u>		<u>1,723,225</u>
Total assets less current liabilities			<u>1,708,389</u>		<u>1,754,304</u>
Creditors: amounts falling due after more than one year	12		1,079,370		1,225,748
NET ASSETS			<u>629,019</u>		<u>528,556</u>
Reserves					
Income and expenditure account			629,019		528,556
			<u>629,019</u>		<u>528,556</u>
Effect on the financial statements of the provision for the USS pension deficit					
Reserves as above			629,019		528,556
USS pension deficit	12		405,249		492,331
Underlying reserves			<u>1,034,268</u>		<u>1,020,887</u>

These financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

These financial statements were approved by the directors and authorised for issue on 16 November 2023, and are signed on their behalf:



A Warren
Chief Executive
Company No: SC314764



J McGeorge
Chairman

The notes on pages 12 to 22 form part of these financial statements.


APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)

COMPANY BALANCE SHEET
AS AT 31 JULY 2023

	Note	£	2023 £	£	2022 £
Fixed assets					
Tangible assets	7		24,252		31,079
Investments	8		<u>1</u>		<u>1</u>
			24,253		31,080
Current assets					
Debtors	9	447,792		236,172	
Cash at bank	10				
- Unrestricted		1,732,583		1,842,767	
- Pension guarantee		<u>644,160</u>		<u>641,333</u>	
		2,824,535		2,720,272	
Creditors: amounts falling due within one year	11	<u>1,327,063</u>		<u>1,181,123</u>	
Net current assets			1,497,472		1,539,149
Total assets less current liabilities			<u>1,521,725</u>		<u>1,570,229</u>
Creditors: amounts falling due after more than one year	12		1,079,370		1,225,748
NET ASSETS			<u>442,355</u>		<u>344,481</u>
Reserves					
Income and expenditure account			442,355		344,481
			<u>442,355</u>		<u>344,481</u>
Effect on the financial statements of the provision for the USS pension deficit					
Reserves as above			442,355		344,481
USS pension deficit	12		405,249		492,331
Underlying reserves			<u>847,604</u>		<u>836,812</u>

These financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

These financial statements were approved by the directors and authorised for issue on 16 November 2023, and are signed on their behalf:



A Warren
Chief Executive
Company No: SC314764



J McGeorge
Chairman

The notes on pages 12 to 22 form part of these financial statements.

APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1. Accounting policies

Statement of compliance and basis of preparation

APUC Limited is a company limited by guarantee. The address of the registered office is Unit 27, Stirling Business Centre, Wellgreen, STIRLING, FK8 2DZ. The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The principal activities of the group are disclosed on page 3.

Going concern

The financial statements have been prepared on the going concern basis.

The company has secured funding from the Universities and Colleges in Scotland of £2.428m for 2023-2024 (£2.386m 22-23). They have prepared budgets and cashflow projections which indicate that they will be able to operate within the agreed funding level.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company for the year ended 31 July 2023 and of its subsidiary company, UCSS Limited.

The company meets the definition of a qualifying entity under FRS102 and has taken advantage of the exemptions under section 408 of the Companies Act 2006 not to prepare an individual income and expenditure account for the parent company. The surplus for the year dealt with in the financial statements of the company was £97,873 (2022: £101,304 deficit). The underlying surplus for the year taking into account the change in the provision for the USS pension deficit was £10,791 (2022: £168,811).

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Cash flow statement

The company is the parent of a small group and has voluntarily prepared consolidated financial statements. The company is exempt under the requirements of the FRS102 from publishing a consolidated cash flow statement.

Turnover

The turnover shown in the income and expenditure accounts represents income and grants received and receivable during the year.

Fixed assets

All fixed assets are initially recorded at cost. Assets costing less than £5,000, unless the costs when grouped are greater than £5,000, are written off to the income and expenditure account in the year of purchase.

APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (Cont)

Accounting policies (cont)

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	7 years
Computer equipment	-	3 years

Income and grants

Income and grants of a revenue nature are credited to the income and expenditure account in the year which they accrue. Grants for the purchase of fixed assets are treated as deferred income and credited to the income and expenditure account over the estimated useful life of the relevant assets.

Pensions

APUC Limited participates in the Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. APUC Limited is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", APUC Limited therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since APUC Limited has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, APUC Limited recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure accounts. In addition, APUC Limited have set aside a cash amount of £644,160 to cover any potential section 75 debt due to the Universities Superannuation Scheme in the event of an employment cessation event occurring. The initial cash amount of £600k was set aside in 2011.

UCSS Limited offers its employees the benefits of Group Stakeholder Pension Schemes with Scottish Widows and Friends Life. Employers contributions to the scheme match the employees contribution up to a maximum of 5% of gross pay. In addition, employees have the option to forego 1% of their salary for an additional 1% employer contribution. The amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

Operating lease charges

Rentals payable under operating leases are charged to the income and expenditure account in the period to which they relate.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (Cont)

Accounting policies (cont)

measured subsequently at amortised cost using the effective interest method, less any impairment.

Reserves

APUC Group's Reserves Policy is to maintain a suitable financial reserve that could be used for appropriate investment, operational contingency funding or for the orderly winding up of the company. The policy defines that the level of underlying reserves should be equivalent to the level in actual cash terms that is required to operate the core part of the business for between 3-6 months, which currently would equate to a reserve range of £607k to £1,213k. The underlying reserves figure excludes the USS pension deficit liability. As indicated from the figures on page 10, the underlying reserves figure is at an appropriate level within this range.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

Creditors

Short term creditors are measured at the transaction price.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (Cont)

Accounting policies (cont)

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference

2. Critical accounting judgements

FRS102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control, typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in income or expenditure in accordance with section 28 of FRS102. The directors are satisfied that the scheme provided by Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (Cont)

3. Administration expenses	2023	2022
	£	£
Staff	3,926,686	3,689,046
Non-executive directors' remuneration	9,625	8,492
Premises	73,946	76,297
Scottish Government Grant Costs *	-	811,164
Administration	527,388	487,185
	<u>4,537,645</u>	<u>5,072,184</u>

*This relates to a one-off purchase of classroom CO2 monitors made on behalf of APUC member institutions (and then distributed as appropriate to them) at the request of the Scottish Government and funded on a full reimbursement grant provided by the Scottish Government.

4. Operating surplus	2023	2022
	£	£
Operating surplus is stated after charging:		
Depreciation of owned fixed assets	15,372	12,930
Operating lease payments	44,859	46,276
Auditor's fees	10,920	7,539

5. Staff costs	2023	2022
	£	£
Salaries	3,404,227	2,868,328
Social security costs	372,440	324,324
Employer pension contributions	253,398	228,212
USS Pension deficit	(103,379)	268,182
	<u>3,926,686</u>	<u>3,689,046</u>

The average monthly number of employees (headcount)	<u>87</u>	<u>79</u>
---	-----------	-----------

The directors' aggregate emoluments in respect of qualifying services were:

Aggregate emoluments		
Executive director	122,424	118,305
Non-Sector directors' remuneration	9,625	8,492
Value of company pension contributions under defined benefit scheme	25,333	24,488
	<u>157,382</u>	<u>151,285</u>

The number of directors at the year end who accrued benefits under the company pension schemes was:

Defined benefit scheme	<u>1</u>	<u>1</u>
------------------------	----------	----------

APUC LIMITED
(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023 (Cont)

6. Taxation

	2023 £	2022 £
Analysis of tax charge for the period		
<i>Current tax</i>		
UK Corporation tax for the period	4,225	6,887
<i>Deferred tax</i>		
Origination and reversal of timing differences	(415)	(262)
Tax on surplus on ordinary activities	<u>3,810</u>	<u>6,625</u>
Deferred tax debtor		
Asset at start of period	1,857	1,595
Charge to profit and loss account in the period	415	262
Asset at end of period	<u>2,272</u>	<u>1,857</u>
Short term timing differences	<u>2,272</u>	<u>1,857</u>

7. Tangible fixed assets – group and company

	Fixtures & Fittings £	Computer Equipment £	Total £
Cost			
As at 1 Aug 2022	38,006	41,431	79,437
Additions	-	8,545	8,545
As at 31 Jul 2023	<u>38,006</u>	<u>49,976</u>	<u>87,982</u>
Depreciation			
As at 1 Aug 2022	22,580	25,778	48,358
Charge for the year	3,325	12,047	15,372
As at 31 Jul 2023	<u>25,905</u>	<u>37,825</u>	<u>63,730</u>
Opening net book value	<u>15,426</u>	<u>15,653</u>	<u>31,079</u>
Closing net book value	<u>12,101</u>	<u>12,151</u>	<u>24,252</u>

8. Investments – company

	2023 £	2022 £
Investment in subsidiary	<u>1</u>	<u>1</u>

The investment represents the cost of the parent undertaking's shareholding (1 ordinary £1 share) in its wholly owned subsidiary, UCSS Limited, a company registered in Scotland. The principal activity of UCSS Limited is the provision of procurement services.

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9. Debtors

	2023		2022	
	Group £	Company £	Group £	Company £
Other debtors	386,259	383,987	175,739	173,882
Prepayments and accrued income	63,805	63,805	62,290	62,290
	<u>450,064</u>	<u>447,792</u>	<u>238,029</u>	<u>236,172</u>

10. Cash at bank

	2023		2022	
	Group £	Company £	Group £	Company £
Unrestricted	1,732,859	1,732,583	1,843,326	1,842,767
Pension guarantee	644,160	644,160	641,333	641,333
	<u>2,377,019</u>	<u>2,376,743</u>	<u>2,484,659</u>	<u>2,484,100</u>

The funds held for the pension guarantee are held in a bank account in the name of APUC Limited but controlled by the University guarantors of the pension guarantee fund. In January 2011 APUC Limited signed a guarantee in favour of the University of Aberdeen to cover a potential section 75 debt due to the Universities Superannuation Scheme from APUC Limited in the event of an employment cessation event occurring.

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11. Creditors: amounts falling due within one year

	2023		2022	
	Group	Company	Group	Company
	£	£	£	£
Amounts owed to group undertakings	-	396,787	-	347,836
Trade creditors	21,127	21,127	30,459	30,459
Corporation tax	4,225	3,202	6,887	6,079
PAYE & social security	102,092	20,106	84,118	19,211
Superannuation	14,872	14,872	14,751	14,751
Scottish Widows Pension	5,096	-	4,711	-
UCRSS Pension	20,180	-	16,824	-
Deferred income	432,951	432,951	490,284	490,284
VAT	12,711	12,711	11,464	11,464
Supplier rebates	349,316	349,316	171,779	171,779
Accruals & other creditors	81,696	55,514	82,241	71,673
Holiday pay	98,680	20,477	85,945	17,587
	<u>1,142,946</u>	<u>1,327,063</u>	<u>999,463</u>	<u>1,181,123</u>

12. Creditors: amounts falling due after more than one year – group and company

	2023	2022
	£	£
Deferred income	29,961	92,084
Pension guarantee	644,160	641,333
Provision for USS pension deficit	405,249	492,331
	<u>1,079,370</u>	<u>1,225,748</u>

13. Operating lease commitments

Land & buildings - annual commitments:

Less than one year	23,210	21,405
Two to five years	<u>20,000</u>	<u>20,000</u>

APUC Limited has rental commitments for premises at Stirling Business Centre, Stirling, Edinburgh College, Edinburgh and Glasgow Caledonian University, Glasgow.

14. Ultimate controlling party

The company has no ultimate controlling party.

15. Related party transactions

During the year recharged expenses and management charges paid to UCSS Limited amounted to £3,295,091 (2022: £2,685,105). At the year end an amount of £396,787 (2022: £347,836) due to UCSS Limited is included in creditors.

During the year the company invoiced, on a commercial basis, a number of universities and colleges of which the directors of the company are also senior executives.

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16. Company limited by guarantee

The company is limited by guarantee of members and does not have a share capital. The liability of members is limited to £1. On winding up of the company, any surplus assets that exist must be transferred to another body or bodies having objects similar to those of the company.

17. Pensions

Defined Benefit Scheme

The total cost charged to the income and expenditure account is £119,300 (2022: £118,154).

The latest available complete actuarial valuation of the Scheme is at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

Since APUC Limited cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The Key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

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The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

A deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.00%	2.00%

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Defined Contribution Schemes

UCSS Limited offers its employees the benefits of Group Stakeholder Pension Schemes with Scottish Widows and with Friends Life. Employers' contributions to the schemes match the employees contribution up to a maximum of 5% of gross pay. In addition, employees have the option to forego 1% of their salary for an additional 1% employer contribution. Details for each scheme are as follows:

Scottish Widows	2023	2022
Number of active employees	10	11
Value of contributions during the year	£24,385	£24,169
Outstanding contributions at year-end	£5,095	£4,711
Friends Life	2023	2022
Number of active employees	69	59
Value of contributions during the year	£111,201	£85,889
Outstanding contributions at year-end	£20,178	£16,824