
Company Number: 02732244
Registered Charity Number: 1042175

Southern Universities Management Services

DIRECTORS REPORT AND FINANCIAL STATEMENTS

for the year ended

31 July 2024

Southern Universities Management Services

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Southern Universities Management Services

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2024

Company Name:	Southern Universities Management Services
Registered Company Number:	02732244 (Registered in England and Wales)
Registered Charity Number:	1042175
Registered Office and Operational Address:	University of Reading Reading Enterprise Centre Earley Gate Whiteknights Road Reading RG6 6BU

Directors of the Charitable Company:

N Caley (appointed 24 November 2023)	Liverpool School of Tropical Medicine
C Campbell	Newcastle University
S Harrison-Barker	University of Hertfordshire
L Jeffries	University of Reading
J Sibbald	University of Oxford
M Williams	University of Bath
E. Colden (co-opted – appointed 28 November 2024)	
S. Higgins (co-opted – appointed 28 November 2024)	

These directors of the charitable company are also trustees of the charity for the purpose of charity law and are referred to as Members of the Management Committee in the Articles of Association.

Senior Management Team:

M-B Hyde	Group Chief Executive
J Arber	Group Managing Director
G Payne (appointed 1 January 2024)	Head of SUPC
C Tudor-Morgan	Head of Finance and Operations

Company Secretary:

C Tudor-Morgan	Head of Finance and Operations
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Auditors:	James Cowper Kreston Audit Reading Bridge House George Street Reading RG1 8LS
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Legal Advisors:	Field Seymour Parkes LLP 1 London Street Reading RG1 4PN
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Southern Universities Management Services

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2024

The Directors present their annual report together with the audited financial statements of the charitable company for the year ended 31 July 2024. The Report of the Directors is the Directors' Report as required by S.417 of the Companies Act 2006 and the Directors' Report as required by the Charities Act 2011. The financial statements comply with the requirements of the Companies Act 2006, the Charities Act 2011, the charitable company's Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 17 July 1992 and registered as a charity on 18 November 1994. The charitable company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. The current Memorandum and Articles of Association were adopted on 16 November 2021. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up. As at 31 July 2024 there were 55 Members and the total number of such guarantees was 55 (2023: 47).

Appointment of Directors

Under the provisions of the Articles of Association the directors are appointed for an initial term not exceeding four years by the Members of the charitable company by ordinary resolution. Directors may be elected for a second term not exceeding four years but may not serve more than two terms of office unless they are appointed as Chair of the Management Committee during their second term of office. Directors retire in rotation.

Director Induction and Training

SUMS directors include member representatives both from the institutions that comprise the charitable company's membership and those that represent the institutions that subscribe to SUPC. As such they have a good understanding of how the charitable company is structured and operates and will have typically already worked with the various business units of SUMS in their capacity as member representative. As part of the induction process new directors participate in discussions with the Group Chief Executive (CE). The Charity Commission publication 'The Essential Trustee' along with the Memorandum and Articles of Association and a role profile are distributed to new directors.

Management

The charitable company is organised into two divisions: SUMS Consulting and Southern Universities Purchasing Consortium (SUPC) that includes the Procurement Shared Service (PSS). In 2019 the company underwent changes to its Articles of Association to create an equal balance of representation from the different business units of SUMS within its Management Committee. The Management Committee now comprises a minimum of six directors; three representatives appointed from the Members of the charitable company and three appointed to represent Southern Universities Purchasing Consortium (SUPC). In addition, a student representative has been co-opted to the Management Committee. The CE carries out day-to-day management of the charitable company under the direction of the members of the Management Committee.

The company has 31 full-time employees, 9 part-time employees and a pool of associate consultants.

SUMS Consulting provides management consultancy services. Its principal activity is to promote the efficiency of the administration of educational charities in direct pursuit of their objects through the conduct of management consultancy assignments at the request of beneficiaries.

Southern Universities Management Services

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2024 (continued)

SUPC provides services to higher education institutions and further education colleges that are its subscribers. Its principal activity is the co-ordination of purchasing activity between its beneficiaries in order to share expertise and to achieve efficiency in purchasing.

PSS provides specialist procurement support to higher education institutions and further education colleges to help them secure value for money from their procurement activities. This includes the delivery of the Procurement Maturity Assessment Programme to English HEI's.

Remuneration Policy for Key Management Personnel

The salary policy, which includes the framework for setting pay for all staff including key management personnel is reviewed by the Management Committee at least every two years. The basis of the annual salary review is to give an annual cost of living increase, and consider any further increases related to performance and changes to each role across the year. The cost-of-living increase is set having regard to the award applied to the HE sector, whilst the review of performance and roles is undertaken with benchmarking against similar roles both within and outside the sector considered. The consulting team participate in a performance related payment scheme and merit-based bonus awards are made across the group.

Related Parties

The University of Reading is a member of the charitable company for which it pays the annual subscription fee. The University of Reading also provides payroll, supplier payments, banking services, pensions facilities, IT infrastructure and IT support to the charitable company. The charitable company makes payment to the University of Reading for the services provided and for rentals for the premises occupied under lease by the charitable company.

Risk Management

Major risks to which the charitable company is exposed are reviewed regularly, documented in a Risk Register and categorised according to their severity based on their likelihood and impact. Actions and procedures have been established to identify and mitigate these risks. The Risk Register is reviewed by the Management Committee annually, with dynamic risks being reviewed at each meeting of the Management Committee and the Executive Group.

The current key risks are:

Risk	Mitigation
Challenge to Membership as all university costs come under increased scrutiny	<ul style="list-style-type: none">• Development of SUMS Consulting and SUPC strategies to 2030 with Board consultations• Focus on supporting members with efficiencies and Target Operating Model work• Focus on demonstrating the value of membership and Member Relationship Management
The potential failure to meet planned financial targets	<ul style="list-style-type: none">• Investment in new business development including the launch and post implementation review of new consultancy products• Close monitoring of financial performance and cashflow against budgets and forecasts

Southern Universities Management Services

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2024 (continued)

Objectives and Activities, Achievements and Performance

In setting the objectives and planning the activities of the charitable company the Management Committee has given consideration to the Charity Commission's general guidance on public benefit, and in particular to its supplementary public benefit guidance on the advancement of education. The objects for which the charitable company is established are to promote the efficiency of the administration of educational charities in direct pursuit of their objects by:

- (a) advice, training and information about financial planning, effective management procedures, and the best use of available resources, and
- (b) any other assistance appropriate to the provision of financial planning, procedural advice and resource management.

The services provided promote the efficiency and effectiveness of educational charities. The directors have access to the Charity Commission's website which they review regularly, to help ensure that the aims of the charitable company meet the public benefit requirement. The directors confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

SUMS Consulting this year has continued to focus on delivering consulting assignments, seminars and workshop events to help Members ensure their organisations are efficient and effective given the challenges faced by the Higher Education sector, and particularly in light of the challenging economic climate and the need for universities to be sustainable.

SUPC continues to focus on providing collaborative procurement solutions to its members. It has developed a new Procurement Value Assessment tool, to help SUMS Group members and clients identify procurement efficiency opportunities.

The objectives, activities, output and achievements of SUMS Consulting and SUPC are set out in detail in their separate annual reviews that focus on their operating activities. These reports are available either from their respective websites (www.sums.org.uk and www.supc.ac.uk), or upon request to the charitable company at its registered office. Copies of the annual reviews are distributed widely within the HE sector and beyond.

Southern Universities Management Services

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2024 (continued)

STRATEGIC REPORT

Financial Review

The financial year to 31 July 2024 saw a surplus for the charitable company of £993k (2023: £701k). An increase in membership brought growth in subscription income from £2.2m in 2022/23 to £2.6m in 2023/24. A reduction to nil in the USS pension scheme provision following the latest published valuation contributed £544k to the surplus.

Incoming Resources

Overall income for the year is £4,789k, an increase of £692k (17%) on prior year (2023: £4,097k), with the majority of income (55%) obtained from SUMS and SUPC membership subscriptions.

Resources Expended

Operating expenditure (excluding pension provision movements) for the year is £4,340k, an increase of £825k (23%) on prior year (2023: £3,515k). With a pension provision reduction of £544k included, total expenditure increased to £3,797k (2023: £3,396k).

As with prior years, the largest proportion of expenditure relates to professional staff and consultants' costs, to deliver consultancy and support activities.

Reserves Policy

The directors review and consider the charitable company's reserves in the context of risks and funding. In setting a reserves policy the directors aim to establish reasonable, but not absolute protection against risks and to balance this with the need to deploy resources in pursuit of the company's charitable objectives. SUMS maintains financial reserves to provide flexibility to meet:

- Future investments for new and/or growing areas of activity
- Annual fluctuations in operating income and/or expenditure
- The liability that may arise from increased deficits in the USS defined benefit pension scheme
- An element of financial risk, to which the company is exposed
- Most potential unexpected costs.

The Management Committee set the target for the 2023/24 financial year for free reserves – working capital – to be maintained in a range of 6 and 9 months of operating costs. Free reserves held at 31 July 2024 were within this target range.

Reserves Held

Total reserves at the end of the financial year were £3,222k (2023: £2,230k), an increase of £992k (44%) on prior year. Designated reserves were nil at 31 July 2024.

Principal Funding Sources

The majority of the charitable company's funding is from its membership subscriptions and subscribers. As at 31 July 2024 there were 55 Members of the charitable company (2023: 47) and 60 subscribers to SUPC: 46 full subscribers and 14 associates (2023: 62).

Additional funding comes from consulting work over and above core membership work, retention of some framework levy for contract support activities, and fees for events.

Southern Universities Management Services

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2024 (continued)

Investment Policy

SUMS' key investment objective remains to preserve the capital value of its investments with a low level of risk, whilst ensuring that an adequate level of assets is readily available to meet all expected cash flow requirements. In this regard, all investments are held within cash or near cash investments and are spread across several institutions who fulfil the criteria set out within the SUMS investment policy.

Going Concern

Having reviewed the strategic risks, the current financial position of SUMS and the financial projections which sit alongside the overarching strategy, the directors consider that adequate resources continue to be available to fund future plans. Accordingly, the directors are of the view that the Charity is a going concern.

Southern Universities Management Services

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2024 (continued)

Future Plans

The charitable company plans to continue similar activities into future periods, tailoring the content of these activities to meet specific member needs alongside focusing on the issues, challenges and opportunities emerging for the Higher Education sector.

SUMS Consulting will continue to offer Members access to specialist HE expertise through the provision of consulting services and access to its knowledge hub, along with a range of member events and publications. SUMS Consulting will ensure its capabilities continue to meet the evolving requirements of Members in areas such as digital transformation, efficiency and effectiveness, and student wellbeing. SUMS Consulting's modular efficiencies and Target Operating Model offering will continue to help universities realise efficiencies. This includes a procurement module that leverages the expertise within SUPC. SUMS will also support the wider HE sector through the provision of fee paid consulting services to non-Members, as required.

SUPC will continue to deliver value for money to members through the provision of compliant frameworks and value adding services that enhance the core offering. In addition, SUPC is to continue its successful strategic partnership with sister consortium, LUPC and membership of UK Universities Purchasing Consortia (UKUPC), with the aim of offering greater value to members through aligned activity and driving up collaborative procurement across the HE sector.

SUPC is offering a Procurement Value Assessment (PVA) that helps universities seeking to identify non-pay efficiency opportunities and benchmark their procurement. SUPC will continue to provide specialist procurement consulting and other resources to the sector with the aim of improving sector procurement.

Appointment of new Chief Executive

Marie-Bernarde Hyde will retire from her role as Chief Executive on 30th November 2024. The management committee have selected Joel Arber, SUMS Group Managing Director, to take over the role of CE from 1st December 2024.

Southern Universities Management Services

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2024 (continued)

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping proper and adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

The auditors, James Cowper Kreston Audit, have indicated their willingness to stay in office.

The financial statements were approved by the directors on ...28 November 2024.....and signed on their behalf by:



.....
M. Williams
Director

Date: ...28 November 2024.....

Southern Universities Management Services

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2024

OPINION

We have audited the financial statements of Southern Universities Management Services (the 'charitable company') for the year ended 31 July 2024 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes, 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 Financial Reporting Standard 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 charitable company's affairs as at 31 July 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable 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.

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Southern Universities Management Services

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2024

We have nothing to report in this regard.

OPINION 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.
- 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 charitable 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the charitable company for the purposes of company law) 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 charitable 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 charitable 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

Southern Universities Management Services

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2024

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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 charitable 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 charitable 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Peal BSc (Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston Audit

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

Date: 7 April 2025

Southern Universities Management Services

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Income:					
<i>Income from Charitable activities</i>					
Subscription income		2,644,493	-	2,644,493	2,187,950
Consulting income		1,343,107	-	1,343,107	1,384,002
Event income		138,200	-	138,200	4,495
Grant income		-	1,602	1,602	6,371
Other income		18,345	-	18,345	6,258
Framework levy retained		494,162	-	494,162	450,186
Investment income		149,391	-	149,391	58,178
Total income	3	4,787,698	1,602	4,789,300	4,097,440
Expenditure on:					
<i>Expenditure on charitable activities:</i>					
Travel and meeting costs		107,521	-	107,521	72,508
Professional staff and consultants		2,917,304	-	2,917,304	2,207,510
Pension provision		(543,550)	-	(543,550)	(119,089)
Administration costs		1,090,743	1,602	1,092,345	1,040,931
Premises		67,224	-	67,224	68,745
Governance		155,835	-	155,835	125,714
Total expenditure	4	3,795,077	1,602	3,796,679	3,396,319
Net (expenditure)/income and net movement in funds for the year		992,621	-	992,621	701,121
Reconciliation of funds					
Total funds brought forward		2,229,780	-	2,229,780	1,528,659
Total funds carried forward	15	3,222,401	-	3,222,401	2,229,780

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 15 to 28 form part of these financial statements.

Southern Universities Management Services

BALANCE SHEET AS AT 31 JULY 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	7	-	-
Current assets			
Debtors	8	1,935,158	1,996,556
Investments: short-term investments	9	1,930,407	1,610,238
Cash at bank and in hand		<u>986,485</u>	<u>1,028,631</u>
		4,852,050	4,635,425
Creditors			
Amounts falling due within one year	10	<u>(1,629,649)</u>	<u>(1,862,096)</u>
Net current assets		3,222,401	2,773,330
Creditors			
Amounts falling due after one year	11	-	(543,550)
Total net assets	16	<u>3,222,401</u>	<u>2,229,780</u>
The funds of the charity:			
<i>Unrestricted funds</i>			
General funds		3,222,401	2,229,780
Designated funds		-	-
<i>Restricted funds</i>		-	-
Total charity funds	16	<u>3,222,401</u>	<u>2,229,780</u>

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The directors have elected for the financial statements to be audited in accordance with the Companies Act 2006.

These financial statements were approved by the directors and authorised for issue on 28 November 2024, and are signed on their behalf by:



M. Williams
Director

Southern Universities Management Services

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2024

	Note	2024 £	2023 £
Operating Activities			
Cash used in operations	19	168,228	754,370
Investing Activities			
Interest received		149,391	58,178
Net cash used in Investing Activities		149,391	58,178
Financing Activities			
Movements in investments		(320,169)	(563,896)
Movements in monies held by University of Reading		(39,596)	(24,332)
Net cash used in Financing Activities		(359,765)	(588,228)
Change in cash and cash equivalents in the year		(42,146)	224,320
Cash and cash equivalents at beginning of the year		1,028,631	804,311
Cash and cash equivalents at end of the year		986,485	1,028,631

The notes on pages 15 to 28 form part of these financial statements.

Southern Universities Management Services

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

1. General information & Principal Accounting Policies

Southern Universities Management Services (“the charitable company”) is a public benefit entity limited by guarantee domiciled and incorporated in England and Wales (registered company number 02732244). The address of the charitable company’s registered office and principal place of business is University of Reading, Reading Enterprise Centre, Earley Gate, Whiteknights Road, Reading, RG6 6BU.

A summary of the more important accounting policies, including those affecting the most significant items in these financial statements, is set out below:

a) Basis of accounting

The accounts have been prepared under the Companies Act 2006 and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019) – (Charities SORP (FRS 102)). The accounts are drawn up on the historical cost basis of accounting.

Monetary amounts in these accounts are rounded to the nearest £ except where otherwise indicated.

b) Going concern

After making enquiries, the directors have a reasonable expectation that the charitable company has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of directors’ responsibilities. The directors have considered the effect of the current economic climate on the operations of the entity. Based on their analysis and the considerable growth particularly in consulting income over the past three years, they have concluded that the entity remains a going concern.

c) Funds

If there is a restriction on the purpose to which a fund may be put, the fund is classified as a restricted income fund. In instances where restrictions on the use of grants are set, the grant is spent according to these requirements. Designated funds comprise unrestricted funds and are earmarked for specific purposes by the directors.

d) Income

Income attributable to the financial year is recognised as follows:

- subscription fees are accounted for in the year in which the membership benefit is provided
- consultancy income is accounted for on an accruals basis, in the period in which the work is undertaken
- event income is accounted for in the period in which the event occurred
- grant income is accounted for at the point the charity is entitled to the income and performance related conditions are met
- framework levy (previously marketing premium) income is accounted for in the period it is earned
- investment income is accounted for in the period it is earned.

Income is allocated to the appropriate activity within SUMS, SUPC, Marketing and Communications (M&C) and Central by way of individual cost centres.

Southern Universities Management Services

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024 (*continued*)

1. General information & Principal Accounting Policies (*continued*)

e) Funds received as agent

The charitable company receives rebate income (framework levy) from the suppliers of the SUPC member universities under the purchasing consortium agreements. The income recognised in the accounts is the amount retained by SUMS to further their charitable objectives. All other funds received and dispersed to the member universities are not recognised as income and expenditure in accordance with the Charities SORP 'Accounting for Funds received as Agent'.

f) Expenditure

Expenditure is recognised on an accruals basis in the period in which the liability is incurred. All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs are allocated to the appropriate activity within SUMS, SUPC, M&C or Central by way of individual cost centres. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

g) Governance costs

Governance costs include costs associated with providing the governance infrastructure and generating required statutory information. The costs include audit, legal and accounting fees and an apportionment of salary costs to approximate time spent on strategic management and governance of the charitable company.

h) Tangible fixed assets

Capital items with a cost exceeding £2,000 are capitalised and depreciated. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 4 years.

i) VAT

Irrecoverable VAT is charged against administration costs.

j) Investments

The charitable company has elected to hold funds in deposit accounts with banking institutions. The funds are on deposit and interest has been recognised on an accruals basis.

1. General information & Principal Accounting Policies (*continued*)

k) Retirement benefits

The charitable company participates in both the Universities Superannuation Scheme (USS) and the SUMS Pension Plan (SUMSPP).

The USS is a hybrid pension scheme providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the USS scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. SUMS 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", SUMS therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. SUMS has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund an overall deficit, and so recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The SUMSPP is a defined contribution scheme and the amount charged to expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

l) Operating leases

Rentals paid under operating leases are charged to the SoFA on a straight-line basis over the lease term.

m) Financial Instruments

The charitable company has applied the provisions of Section 11 'Basic Financial Instruments' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the charitable company becomes a party to the contractual provisions of the instrument, and are offset only when the group has a legal enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise and settle the liability simultaneously.

Financial assets

Trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

1. General information & Principal Accounting Policies (*continued*)

m) Financial Instruments (*continued*)

Where the arrangements with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised according to the original terms of the contract. Impairment losses are recognised in the SoFA for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, and are recognised immediately in the SoFA.

Financial liabilities

Financial instruments are classified as liabilities according to the substance of the contractual agreements entered into. Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangements with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instruments and subsequently measured at amortised cost.

Derecognising financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or subsequently all the risks and rewards of ownership are transferred to another party, or is some significant risks or rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

n) Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The only accounting estimates which the directors believe that the charitable company has is the reliance on the underlying assumptions which have been used by the actuary in the valuation of the pension scheme deficit.

o) Taxation

The charitable company is a registered charity, and as such is entitled to tax exemptions on income and gains properly applied for its charitable purposes.

Southern Universities Management Services

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024 (*continued*)

2. Net income/(expenditure) for the year is stated after charging:

	2024 £	2023 £
Depreciation of tangible assets	-	-
Operating lease costs	52,252	63,160
Trustee liability insurance*	700	650
Auditor's remuneration for:		
- External audit	10,650	9,650
- Taxation - compliance services to the charitable company	-	-

* The cost of liability cover is not separately identified but has an estimated value of £700.

3. Income by activity

2024	SUMS £	SUPC £	M&C £	Total 2024 £
<i>Incoming resources from charitable activities</i>				
Subscription income	1,962,693	681,800	-	2,644,493
Consulting income	1,142,716	141,446	58,945	1,343,107
Event income	-	-	138,200	138,200
Grant income	-	-	1,602	1,602
Other income	782	17,563	-	18,345
Framework levy retained	-	494,162	-	494,162
<i>Investment income</i>	-	-	-	149,391
TOTAL INCOME	3,106,191	1,334,971	198,747	4,789,300

2023	SUMS £	SUPC £	M&C £	Total 2023 £
Subscription income	1,526,200	661,750	-	2,187,950
Consulting income	1,360,717	23,285*	-	1,384,002
Event income	-	-	4,495	4,495
Grant income	-	-	6,371	6,371
Other income	-	1,500	4,758	6,258
Framework levy retained	-	450,186	-	450,186
<i>Investment income</i>	-	-	-	58,178
TOTAL INCOME	2,886,917	1,136,721	15,624	4,097,440

* SUPC consulting income was separately identified as PSS income previously.

Southern Universities Management Services

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024 (*continued*)

4. Expenditure

Analysis of unrestricted expenditure

	Staff costs £	Other £	Depreciation £	Total 2024 £	Total 2023 £
<i>Expenditure on charitable activities</i>					
Travel and meeting costs	-	107,521	-	107,521	72,508
Professional staff & consultants	1,932,942	984,362	-	2,917,304	2,207,510
Pension provision	-	(543,550)	-	(543,550)	(119,089)
Administration costs	607,701	483,042	-	1,090,743	1,034,560
Premises	-	67,224	-	67,224	68,745
Governance	132,156	23,679	-	155,835	125,714
	2,672,799	1,122,278	-	3,795,077	3,389,948

Analysis of total expenditure by activity

Activity based 2024	SUMS £	SUPC £	M&C £	Central £	Total 2024 £
<i>Expenditure on charitable activities</i>					
Travel & meeting costs	93,239	8,795	3,281	2,206	107,521
Professional staff & consultants	2,258,257	659,047	-	-	2,917,304
Pension provision	-	-	-	(543,550)	(543,550)
Administration costs	107,534	289,978	244,543	450,290	1,092,345
Premises	-	-	-	67,224	67,224
Governance	70,507	27,487	-	57,841	155,835
TOTAL EXPENDITURE	2,529,536	985,307	247,824	34,012	3,796,679

Activity based 2023	SUMS £	SUPC* £	M&C £	Central £	Total 2023 £
<i>Expenditure on charitable activities</i>					
Travel & meeting costs	57,077	6,925	6,545	1,961	72,508
Professional staff & consultants	1,770,410	437,100	-	-	2,207,510
Pension provision	-	-	-	(119,089)	(119,089)
Administration costs	51,798	327,382	218,308	443,443	1,040,931
Premises	-	-	-	68,745	68,745
Governance	55,943	20,473	-	49,299	125,714
TOTAL EXPENDITURE	1,935,228	791,880	224,853	444,359	3,396,319

* SUPC includes expenditure that was separately identified as PSS expenditure previously.

Southern Universities Management Services

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024 (continued)

5. Analysis of restricted fund income and expenditure

One grant was received from the University of Reading to cover the salary cost of an internship placement for a University of Reading student at SUMS.

	2024 £	2023 £
Incoming resources		
Grant income	1,602	6,371
Total incoming resources	<u>1,602</u>	<u>6,371</u>
Outgoing resources		
Administration costs	1,602	6,371
Total outgoing resources	<u>1,602</u>	<u>6,371</u>
Net movement in funds in the year	<u>-</u>	<u>-</u>

6. Staff costs and numbers

	2024 £	2023 £
Staff costs were as follows:		
Salaries and wages	2,214,397	1,806,905
Employer's national insurance costs	250,393	185,950
Employer's pension costs	<u>209,611</u>	<u>202,754</u>
	<u>2,674,401</u>	<u>2,195,609</u>

The average number of staff employed during the year was 38 (2023: 30); various associates were engaged to provide services. The average number of full-time equivalents of persons employed during the year was 35 (2023: 28).

The total of employee benefits (including salary, employers pension contribution and employer's national insurance contributions) paid to the senior management team, as disclosed on page 1, in the year totalled £530,180 (2023: £492,314).

The number of staff who received emoluments (excluding employers pension contribution and employer's national insurance contributions) in the following ranges was:

	2024	2023
£60,001 to £70,000	3	5
£70,001 to £80,000	2	1
£80,001 to £90,000	3	3
£90,001 to £100,000	3	1
£100,001 to £110,000	1	0
£110,001 to £120,000	1	2
£120,001 to £130,000	1	0
£130,001 to £140,000	1	0

Southern Universities Management Services

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024 (continued)

7. Fixed assets

	IT Equipment	Fixtures & Fittings	Total
	£	£	£
Cost:			
At 1 August 2023	800	4,833	5,633
At 31 July 2024	800	4,833	5,633
Accumulated Depreciation:			
At 1 August 2023	800	4,833	5,633
At 31 July 2024	800	4,833	5,633
Net book value at 31 July 2024	-	-	-
Net book value at 31 July 2023	-	-	-

8. Debtors

	2024	2023
	£	£
Trade debtors	517,552	683,878
Other debtors	695,882	630,551
Money held on trust by The University of Reading	721,724	682,127
	1,935,158	1,996,556

9. Short term investments

Investment funds totalling £1,930,407 were held in cash deposits with Nationwide Building Society, Natwest, Nordea, SEB and Charity Bank at the end of the year. Interest generated from investments was recorded against income and expenditure.

	2024	2023
	£	£
Cash deposits	1,930,407	1,610,238

Southern Universities Management Services

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024 (continued)

10. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	206,191	184,878
Accruals	229,705	304,579
Deferred income	291,171	479,116
Other creditors (VAT due to HMRC)	161,537	192,290
Funds received as agent	741,045	701,233
	<u>1,629,649</u>	<u>1,862,096</u>

11. Creditors: amounts falling due after one year

	2024 £		2023 £	
Provision b/fwd		543,550		662,639
Employer contributions relating to the recovery plan	(20,695)		(45,280)	
Unwinding of the discount rate	12,502		21,933	
Impact of the change in assumptions	<u>(535,357)</u>		<u>(95,742)</u>	
Net movement		(543,550)		(119,089)
Provision c/fwd		<u>-</u>		<u>543,550</u>

The above provision related to the requirement under charity SORP that charities must recognise as a liability the present value of future contributions relating to the funding of a pension deficit. A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The charity is no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

12. Deferred income

Deferred income comprises advance membership and consultancy.

	£
Balance at 1 August 2023	479,116
Amount released to income earned from charitable activities	(479,116)
Amount deferred in year	<u>291,171</u>
Balance at 31 July 2024	<u>291,171</u>

Southern Universities Management Services

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024 (continued)

13. Funds received as agent

The charitable company acts as an intermediary agent for volume rebates (framework levy) payable under contract by suppliers to subscribers to SUPC. SUPC collects the framework levy, retains an agreed proportion and then distributes the balance to subscribers. The charitable company has no legal ownership of the distributable resources and no responsibility for their ultimate application. The amounts collected and due to be collected are therefore not recognised in the Statement of Financial Activities.

	2024 £	2023 £
Opening balance at 1 August	701,233	611,829
Received during the year	2,054,462	1,875,091
Rebate income retained	(494,162)	(450,186)
Paid out during the year	(1,520,488)	(1,335,501)
Total funds held as agent at 31 July	741,045	701,233

14. Operating leases

The total of future minimum lease payments (excluding service charges) under non-cancellable operating leases for the following periods are:

	2024 £	2023 £
Under 1 year	44,460	31,580
Later than 1 year and not later than 5 years	18,525	-
Later than 5 years	-	-

Lease payments of £52,252 (2023: £63,160) were recognised as an expense in the accounts.

15. Movement in funds

Unrestricted funds	2024 General £	2024 Designated £	2024 Total £
Balance at 1 August 2023	2,229,780	-	2,229,780
Incoming resources	4,787,698	-	4,787,698
Outgoing resources	(3,795,077)	-	(3,795,077)
Balance at 31 July 2024	3,222,401	-	3,222,401

Designated funds held at 31 July 2024 were nil (2023: nil).

Southern Universities Management Services

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024 (*continued*)

15. Movement in funds (*continued*)

Unrestricted funds	2023 General £	2023 Designated £	2023 Total £
Balance at 1 August 2022	1,528,659	-	1,528,659
Incoming resources	4,091,069	-	4,091,069
Outgoing resources	(3,389,948)	-	(3,389,948)
Balance at 31 July 2023	2,229,780	-	2,229,780

Restricted funds	2024 £	2023 £
Balance at 1 August	-	-
Incoming resources	1,602	6,371
Outgoing resources	(1,602)	(6,371)
Balance at 31 July	-	-

16. Analysis of net assets between funds

2024

	Fixed assets £	Net current assets £	Creditors: Amounts due after one year £	Total £
Unrestricted	-	3,222,401	-	3,222,401
Restricted	-	-	-	-
Total net assets	-	3,222,401	-	3,222,401

2023

	Fixed assets £	Net current assets £	Creditors: Amounts due after one year £	Total £
Unrestricted	-	2,773,330	(543,550)	2,229,780
Restricted	-	-	-	-
Total net assets	-	2,773,330	(543,550)	2,229,780

Southern Universities Management Services

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024 (*continued*)

17. Related party transactions

No director of the charitable company or any persons connected with them have received any remuneration, and one director claimed reimbursement of expenses during the year which totalled £453.

During the year, £30,011 (2023: £12,616) was paid by the Charity to an individual under a contract of employment through the Charity payroll in line with the pay policy and normal pay scales. The individual is connected to Joel Arber, SUMS Group Managing Director.

Southern Universities Management Services has a service agreement with the University of Reading. During the year the charitable company received the following value of goods and services from the University of Reading:

	2024 £	2023 £
Room hire and catering	8,610	5,535
IT and telecommunications	2,250	3,370
Printing and postage services	238	142
Rent and maintenance	65,030	65,735
Professional fees	31,850	28,384
	<u>107,978</u>	<u>103,166</u>

The University of Reading is also a member of the charitable company and a subscriber to SUPC. Subscriptions and fees are paid by them which are consistent with all other Members. The subscription fees and other income received from the University of Reading are set out below:

	2024 £	2023 £
SUMS membership fee	39,200	37,000
SUPC membership fee	12,950	12,300
Consulting income	124,610	2,190
Grant income	1,602	6,371
	<u>178,362</u>	<u>57,861</u>

The grant received from the University related to salary costs for a short-term internship placement of a University of Reading student at SUMS during 2023/24.

At 31 July 2024, the University of Reading held investment funds of £721,724 (2023: £682,127) on trust for the charitable company.

18. Pensions

Universities Superannuation Scheme

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme. At 31 March 2024, USS had 232,360 active members and the institution currently has 9 active members participating in the scheme.

The scheme assets are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. Appointments to the board of the trustee are determined by the trustee company's Articles of Association. There are currently twelve members of the trustee board, of which four are appointed by Universities UK, three are appointed by the University and College Union (of whom at least one must be a USS pensioner member) and the remaining five are independent directors appointed by the board.

Part of the trustee's role is to set risk and return parameters which reflect the strength of the sponsoring employers and the nature of the scheme's liabilities. These parameters, taken together with the anticipated returns, form the basis of the trustee's funding strategy. These parameters are informed by advice from its internal investment team, its investment consultant and the scheme actuary, as well as an independent assessment of the support available from the sponsoring employers.

The fund is invested in a wide range of asset classes, both publicly traded (including equities and fixed income) and private (including private equity, infrastructure, property and timberland). A diversified portfolio helps to spread investment risk across different asset classes and to boost the level of confidence in maintaining sufficient investment returns from the fund as a whole. This investment approach is innovative and responsible, and is targeted at achieving returns required to meet the scheme's liabilities.

USS completed its latest full valuation during the last scheme year, calculated as of 31 March 2023. Following this, some changes to scheme benefits were introduced. These included: increasing the salary cap, increasing the accrual rate and increasing the limit on benefit increases.

According to the latest Report and Accounts, the asset value of the DB section on 31 March 2024 was £74.8 billion and is the market value of the scheme's DB assets based on the audited asset value in the scheme's accounts. This was an increase of £1.7 billion from 31 March 2023. The estimated deficit has reduced as the scheme has moved from being 111% funded in 2023 on a Technical Provisions basis to 114% funded in 2024.

USS is a "last man standing" scheme, so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme. As the funding level has considerably improved, there is now less risk that these employers will need to fund any significant shortfall.

Southern Universities Management Services Group Personal Pension Plan (the Plan)

A trust-based defined contribution scheme (University of Reading Pension Scheme - URPS) was set up to replace the University of Reading Employees' Pension Fund (UREPF) for new entrants from 1 August 2011. SUMS participated in URPS, which is administered by Aviva, until 31 March 2019. From 1 April 2019, the SUMS Group Personal Pension Plan was set up. The scheme was set up due to the Master Trust Regulation introduced in the Pension Schemes Act 2017. Members of URPS employed by SUMS were transferred to the new arrangement but retained their accrued benefits in URPS.

Southern Universities Management Services

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024 (*continued*)

The Plan is a contract-based Group Personal Pension arrangement with members holding an individual contract with the Plan provider, Aviva, directly. The scheme is a Qualifying Scheme for auto-enrolment purposes. The latest re-enrolment date was 1 January 2023.

As at 31 July 2024, the Plan had 31 active members.

The contribution rate (ignoring salary sacrifice) payable by SUMS is 5% of pensionable salaries for members who have been employed less than 5 years and 7% for members who have been employed 5 years and over. Members must contribute a minimum of 4% of their pensionable salaries to the scheme. Pension contributions are usually deducted via salary sacrifice.

The pension costs incurred in relation to the respective schemes are set out below:

Pension costs	2024		2023	
	Employer contribution	Active members	Employer contribution	Active members
USS	141,182	9	157,751	8
SUMSPP	68,429	31	45,003	25
	209,611	40	202,754	33

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2024 £	2023 £
Net (expenditure)/income	992,621	701,121
Adjustments for:		
Depreciation of tangible fixed assets	-	-
Investment income	(149,391)	(58,178)
Movement on debtors	100,995	(140,002)
Movement on creditors	(775,996)	251,429
Cash used in operations	168,228	754,370