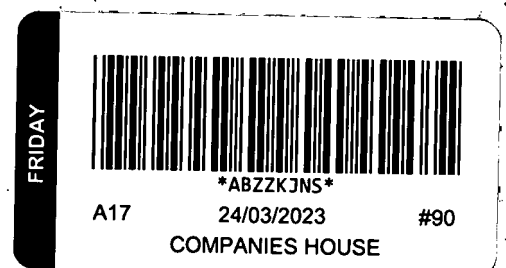


**Cedar Energy Limited**  
Annual report and financial  
statements

Registered number 06973738  
For the year ended 31 July 2022



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## Company Information

### Directors

S E Furey  
Dr C E Baxter (Appointed 1 July 2021)  
Dr D G. Llewellyn (Resigned 31 July 2021)

### Company Secretary

R J Heath

### Auditor

Grant Thornton UK LLP

17th Floor  
103 Colmore Row  
Birmingham  
B3 3AG

### Bankers

Lloyds Banking Group Plc.  
95 High Street  
Newport  
Shropshire  
TF10 7AZ

### Registered Office

Cedar Energy Limited  
c/o Harper Adams University  
Edgmond  
NEWPORT  
Shropshire  
TF10 8NB

### Registered Number

06973738

## Directors' Report

The directors present their report and the financial statements for the year ended 31 July 2022

### Results and Dividend

During the year ended 31 July 2022, the company made a loss before tax of (£53,069) (2021: £160,135 profit) which, after group relief and corporate taxation, resulted in a loss after taxation of (£62,494) (2021: £98,145 profit). The directors do not recommend the payment of a dividend. (2021: £Nil).

### Political and Charitable Donations

The company made a charitable donation of £113,264 (2021: £Nil) in the year to its parent company, Harper Adams University.

### Principal activities and business review

The company supplies heat and power across the Harper Adams University campus, to the University and its tenants. The company operates a CHP (Combined Heat and Power) engine, with a generating capacity of 3,400,000 kWh, photovoltaic roof mounted panels with the ability to deliver 580,000 kWh of electricity and a 3,600,000 kWh capacity Biomass boiler during the reporting period. The turnover reported during the year is in relation to the sale of heat, power, and green energy incentives.

During the year the company has invested £252k in capital infrastructure to improve operation processes and increase the number of roof mounted photovoltaic panels. The investment will increase the electricity generating capability by a further 152,000 kWh, the recent installation has not been operational during the reporting period.

Covid-19 pandemic related campus lockdown and unscheduled essential maintenance has reduced turnover compared to the prior year by 12%.

### Key financial performance Indicators

	2022	2021	Change %
Turnover	£654,158	£740,907	-12%
Gross Profit	£363,293	£488,665	-26%
Gross Profit Margin	56%	66%	-10%
EBITDA	£199,326	£409,926	-51%
Current ratio	0.38	0.59	-26%

### Future prospects

The Company is working with the University to consider how on campus energy production can be developed to improve efficiency of heat and power generated and reduction of the site's carbon footprint. There are likely to be a range of investment options across the campus with the Company and the University working in partnership to consider these.

## **Directors' Report** *(Continued)*

### **Principal Risks and Uncertainties**

The company has in place risk management policies, which are implemented at an operational level, been approved by the company board and supported by the parent entity, Harper Adams University. The principle risk and uncertainty relate to the cost of gas which is purchased via energy consortium contracts with the company operating variable price tariffs with its customers enabling mitigation.

The 2022/23 budget and operating plan has been considered by the Board, operating assumptions were consistent with those from previous years. Trading forecasts for the coming year have been prepared based on the demand profile for the existing campus rather than any reliance on University plans to expand the Estate, with significant increases in gas and woodchip.

### **Going Concern**

The activities of the Company, together with the factors likely to affect its future growth and performance, are set out in the Directors' report. The financial position of the Company and its liquidity are described in the financial statements and accompanying notes.

Management has prepared an operational budget and cash-flow forecast for the 2022/23 financial year. The Company has sufficient financial resources and the directors believe that the Company can manage its business activity successfully.

The Harper Adams University (as ultimate holding company) has provided a letter of support to the directors which confirms that it will extend short term working capital facilities if required, to provide further assurance that the company is in a position to settle its liabilities for at least 12 months of the date of signing these financial statements.

Accordingly, the directors have a reasonable expectation that the Company has sufficient resources to continue its operations, and funds to meet its liabilities, as they fall due for at least 12 months from the date of approval of the financial statements, and for this reason will continue to adopt a going concern basis in the preparation of its financial statements.

### **Directors**

The directors of the Company during the year, and up to the date of signing of these financial statements, were as follows:

S E Furey  
C E Baxter

No director received any remuneration through Cedar Energy Limited for their position as a director of the company.

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

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

## Directors' Report (Continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 of the profit or loss of the company 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditor

### Small Company Provisions

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

### By order of the board



SE Furey  
**Director**  
Cedar Energy Limited

25 November 2022

## **Independent Auditor's report to the members of Cedar Energy Limited**

### **Opinion**

We have audited the financial statements of Cedar Energy Limited (the 'company') for the year ended 31 July 2022, which comprise the Profit & Loss Account and Other Comprehensive Income, the Balance Sheet and the Statement of Changes in Equity 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 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 company's affairs as at 31 July 2022 and of its profit 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 company 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**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report<sup>1</sup>, other than the financial statements and our auditor's report thereon. 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.

## Matter on which we are required to report under the Companies Act 2006

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

## Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the directors' responsibilities statement, 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 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 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006;
- We understood how the company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, through our legal and professional expenses review and through inquiries of solicitors who served during the period;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
  - Challenging assumptions and judgements made by management in its significant accounting policies
  - Identifying and testing journal entries, with a focus on manual postings, journals that directly impacted on the surplus reported in the statement of financial activities and journal entries posted in the closing and accounts preparation period
  - Identifying and testing related party transactions
  - Inspecting the board and other committee minutes
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations.

Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - understanding of the legal and regulatory requirements specific to the charitable company.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue through manipulation of income and management override of controls; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the company's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the company's control environment, including: the policies and procedures implemented by the charitable company to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations.
  - the policies and procedures implemented by the charitable company to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations.
  - the adequacy of procedures for authorisation of transactions and review of management accounts
  - procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

#### 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.

*Grant Thornton UK LLP*

*William* Bill Devitt  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham

[ 29 ] November 2022

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 July 2022*

	<i>Note</i>	<b>2022</b> £	2021 £
<b>Turnover</b>	<b>1</b>	<b>654,158</b>	740,907
Cost of sales		<u>(290,864)</u>	<u>(251,768)</u>
<b>Gross profit</b>		<b>363,294</b>	489,139
Administrative expenses	2	<u>(366,151)</u>	<u>(281,937)</u>
<b>Operating Profit</b>		<b>(2,857)</b>	207,202
Interest Payable	3	<u>(50,211)</u>	<u>(46,593)</u>
<b>(Loss) / Profit on ordinary activities before taxation</b>		<b>(53,068)</b>	160,609
Taxation	4/5	<u>(9,425)</u>	<u>(62,464)</u>
<b>(Loss) for the financial year</b>		<u><b>(62,494)</b></u>	<u>98,145</u>

**Other comprehensive income**

There were no recognised gains or losses other than the loss of £62,494 in the year ended 31 July 2022 (2021: £98,145 profit)

All amounts relate to continuing activities

**Balance Sheet  
at 31 July 2022**

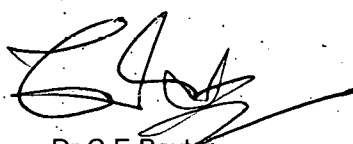
	Note	2022 £	2021 £
<b>Non-Current Assets</b>			
Tangible assets	6	3,768,823	3,723,808
<b>Current Assets</b>			
Debtors	7	57,720	120,351
Stocks		158	474
Cash at bank and in hand		91,660	82,266
		<u>149,538</u>	<u>203,091</u>
<b>Creditors:</b> amounts falling due within one year	8	<u>(391,313)</u>	<u>(341,782)</u>
<b>Net current liabilities</b>		<b>(241,774)</b>	<b>(138,691)</b>
<b>Creditors:</b> Amounts due after more than one year	9	<u>(1,285,000)</u>	<u>(1,290,000)</u>
Provisions for liabilities and charges	5	<u>(140,994)</u>	<u>(131,569)</u>
<b>Total assets less current liabilities, being net assets</b>		<b>2,101,055</b>	<b>2,163,548</b>
<b>Capital and reserves</b>			
Profit and loss account		1,101,055	1,163,548
Called up share capital		1,000,000	1,000,000
<b>Shareholders' funds</b>		<b>2,101,055</b>	<b>2,163,548</b>

The notes on pages 14 to 19 form part of the financial statements.

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements were approved by the Board on 25 November 2022 and signed on its behalf by:

S E Furey  
Director

  
Dr C E Baxter  
Director

Company registration number: 06973738

## Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 August 2021	1,000,000	1,163,548	2,163,548
<b>Total comprehensive income for the year</b>			
Loss for the year	-	(62,494)	(62,494)
Balance at 31 July 2022	<u>1,000,000</u>	<u>1,101,055</u>	<u>2,101,055</u>
Balance at 1 August 2020	1,000,000	1,065,403	2,065,043
<b>Total comprehensive income for the year</b>			
Profit for the year	-	98,145	98,145
Balance at 31 July 2021	<u>1,000,000</u>	<u>1,163,548</u>	<u>2,163,548</u>

## **Notes and accounting policies** **(forming part of the financial statements)**

### **Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. Cedar Energy Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The company's ultimate parent undertaking, Harper Adams University includes the company in its consolidated financial statements. The consolidated financial statements of Harper Adams University are prepared in accordance with International Financial Reporting Standards as adopted by the EU FRS 102 and are available to the public and may be obtained from Harper Adams University. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The consolidated financial statements of Harper Adams University are prepared in accordance with FRS 102. As the consolidated financial statements of Harper Adams University, include the equivalent disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

### **Measurement convention**

The financial statements are prepared on the historical cost basis.

## Notes and accounting policies (continued)

### Basic financial instruments

#### Financial Assets - Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. The assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period the financial assets are assessed for evidence of impairment. If an asset is impaired, the impairment loss is recognised in the profit and loss. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### Financial Liabilities - Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Financial Liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

#### Tangible fixed assets

Tangible fixed assets are recorded at cost or valuation less depreciation. Depreciation is charged on all tangible fixed assets except freehold land, to write off the cost or revalued amount of an asset over its useful life.

The following rates are normally applied on a straight line basis.

Freehold Buildings	20 Years
Minor Plant and Equipment	5 to 10 Years
Major Plant and Equipment	20 to 25 Years
Motor Vehicles	4 to 10 Years
District Heat Main	40 Years

#### Impairment of assets

Impairments of assets are calculated as the difference between the carrying value of the asset and its recoverable amount if lower. Recoverable amount is defined as the higher of fair value less costs to sell and the estimated value in use at the date the impairment review is undertaken. Material impairments are recognised in the profit and loss account as material items.

#### Deferred taxation

Deferred taxation is recognised on all timing differences at the balance sheet date where transactions or events that gives the company an obligation to pay more tax in the future, or right to pay less tax in the future, have occurred.

Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

## Notes and accounting policies (continued)

### Gift Aid

No provision has been made for corporation taxation on the grounds that the company transfers its taxable profits by Gift Aid to its parent undertaking, Harper Adams University. Therefore, no corporation tax debtor or liability will be realised in the company for the year ending 31 July 2022.

### Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of value added taxes and trade discounts.

Revenue from services are recognised when the following conditions are satisfied:

- The company has provided the buyer with provision of services as agreed between both parties;
- The amount of revenue can be measured and calculated reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity

### Material items

Material items are non-recurring material items which are outside the normal scope of the company's ordinary activities. Such items are disclosed separately within the financial statements.

### Provisions

Provisions are recognised in the financial statements when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer or economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### 1. Accounting estimates and judgements

The application of the company's accounting policies requires estimates and assumptions to be made concerning the future and judgements to be made on the applicability of policies to particular situations. 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 key judgements and judgements required when preparing the company's accounts are as follows:

#### 2. Turnover and Operating Profit

Turnover arises in the United Kingdom and relates to the Company's principal activity.

Included in the profit and loss account are the following.

	2022 £	2021 £
Depreciation – owned assets (note 6)	207,379	203,198
Management charges from parent undertaking	36,025	45,336
Auditor's remuneration (Audit of these financial statements)	4,060	4,000
Non-audit services	2,512	2,475

#### 3. Interest Payable

	2022 £	2021 £
Interest payable to group undertakings	50,211	46,593
	<b>50,211</b>	<b>46,593</b>

#### 4. Taxation

Total tax expense/ (credit) recognised in the profit and loss account, other comprehensive income and equity.

	2022 £	2021 £
Adjustments to UK Corporation tax in respect of prior periods	-	3,573
Deferred tax: Origination and reversal of timing differences	9,425	58,891
<b>Total tax charge / (credit)</b>	<b>9,425</b>	<b>62,464</b>

The tax assessed for the years difference from the standard rate of corporation tax in the UK as follows:

<b>Reconciliation of Tax Charge</b>	<b>2022 £</b>	<b>2021 £</b>
Profit / (Loss) on ordinary activities before tax	(53,067)	160,609
Tax on profit on ordinary activities at standard CT rate of 19% (2021: 19%)	(10,083)	30,516
<u>Effect of:</u>		
Fixed asset differences	(687)	30,173
Adjustments to tax charge in respect of previous periods	-	3,573
Expenses not deductible for tax purposes	21,520	-
Amounts (charged)/credited directly to STRGL or otherwise transferred	(3,587)	-
Amounts relating to other comprehensive income or otherwise transferred	-	-
Adjustments to tax charge in respect of previous periods deferred tax	-	(11,854)
<b>Remeasurement of deferred tax for changes in tax rates</b>	<b>2,263</b>	<b>31,576</b>
Deduction for gift aid to be paid within 9 months	-	(21,520)
	<b>9,425</b>	<b>62,464</b>

#### 5. Deferred Taxation

The potential liability to deferred taxation is as follows

	2022 £	2022 £	2021 £	2021 £
	<b>Potential asset / (liability)</b>	<b>Amount Provided</b>	<b>Potential asset / (liability)</b>	<b>Amount Provided</b>
Balance Bfwd.	(131,569)	(131,569)	(72,678)	(72,678)
Adjustment in Year	(9,425)	(9,425)	(58,891)	(70,745)
<b>Balance Cfwd</b>	<b>(140,994)</b>	<b>(140,994)</b>	<b>(131,569)</b>	<b>(131,569)</b>

## 6. Tangible fixed assets

	Plant & Equipment	Assets under construction	Total
Cost	£	£	£
At 1 August 2021	4,398,259	-	4,398,259
Additions	100,334	152,060	252,394
<b>At 31 July 2022</b>	<b>4,498,593</b>	<b>152,060</b>	<b>4,650,653</b>
<b>Depreciation</b>			
At 1 August 2021	(674,451)	-	(674,451)
Depreciation charge for the year	(207,379)	-	(207,379)
<b>At 31 July 2022</b>	<b>(881,830)</b>	<b>-</b>	<b>(881,830)</b>
<b>Net book value</b>			
At 31 July 2022	3,616,763	152,060	3,768,823
At 31 July 2021	3,723,808	-	3,723,808

## 7. Debtors: amounts falling due within one year

	2022 £	2021 £
Trade Debtors	26,081	98,961
Amounts owed from group undertakings	21,267	9,662
VAT Reclaimable	10,372	11,728
	<b>57,720</b>	<b>130,351</b>

## 8. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	22,055
Accrued Expenses and Deferred Income	45,460	14,450
Long term loans falling due within one year	290,000	290,000
Amounts owed to group undertakings	55,853	15,277
	<b>391,313</b>	<b>341,782</b>

Long term loans falling due within one year include £240,000 owed to the company's sole shareholder Harper Adams University and is non-interest bearing.

**9. Creditors: amounts falling due after more than one year**

	2022 £	2021 £
Harper Adams University loan (interest free)	60,000	300,000
Harper Adams University loan (interest bearing)	1,225,000	940,000
Commercial loan (interest free)	-	50,000
	<u>1,285,000</u>	<u>1,290,000</u>

Harper Adams University has extended a public benefit entity concessionary loan to the company £3.29m of which £300,000 was outstanding at 31 July 2022 (2021: £540,000) and is repayable by October 2023. As at July 2022 £60,000 (2021: £300,000) falls due after one year.

Harper Adams University has provided a working capital facility loan to the company of £1.32m of which £1,225,000 was outstanding at 31 July 2022 (2021: £940,000). The outstanding loan balance attracts an annualised interest rate of 5.2%.

**10. Ultimate parent company and parent company of large group**

The ultimate parent entity and controlling party is Harper Adams University, which is the parent undertaking which consolidates the group accounts. The consolidated parent accounts can be obtained from the principal place of business at Harper Adams University, Edgmond, NEWPORT, Shropshire TF10 8NB.