

**CHESTER HOUSING LIMITED**

**Report and Financial Statements**

**Year ended 31 July 2015**



**REPORT AND FINANCIAL STATEMENTS 2015**

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**DIRECTORS REPORT**

The directors present their annual report and the audited financial statements for the year ended 31<sup>st</sup> July 2015.

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions. As such, and in accordance with section 414B of the Companies Act 2006, the directors have not prepared a Strategic Report.

**PRINCIPAL ACTIVITIES**

The principal activities of the company were the provision and administration of student accommodation in residential property which is within the ownership of the University of Chester and not the company itself. These activities ceased at 31 July 2014, with the relevant activities being transferred to the University of Chester. As a result, as disclosed in Note 1, the accounts have been prepared on a basis other than going concern.

**BUSINESS REVIEW**

Following the transfer of the company's principal activities to the University of Chester the company has not traded during the year.

**GOING CONCERN**

As stated above, the company ceased to trade on 31 July 2014. As a result, as disclosed in Note 1, the financial statements have been prepared on a basis other than going concern.

**PROPOSED DIVIDEND**

The directors cannot recommend the payment of a dividend (2014 – Nil).

**DIRECTORS**

The directors who held office during the year and thereafter were as follows:

Mr J Turnbull (Retired 2 June 2015)  
Mr AWA Spiegelberg  
Professor TJ Wheeler  
Mr D O Pickering (Retired 2 June 2015)  
Mr W J Newton-Jones

**AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S.418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions.

Approved by the Board and signed on its behalf by:



C A Lee  
Company Secretary  
12<sup>th</sup> February 2016

University of Chester  
Parkgate Road  
Chester CH1 4BJ

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# CHESTER HOUSING LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 July 2015

	Note	2015 £	2014 £
Turnover	1	-	2,665,247
Cost of sales		-	(2,156,961)
		<hr/>	<hr/>
Gross profit		-	508,286
Administrative expenses		(14,907)	(552,100)
		<hr/>	<hr/>
Operating loss		(14,907)	(43,814)
Other interest receivable and similar income	5	-	845
		<hr/>	<hr/>
Loss on ordinary activities before taxation	2	(14,907)	(42,969)
Tax on loss on ordinary activities	6	-	-
		<hr/>	<hr/>
Loss for the financial year		(14,907)	(42,969)
		<hr/>	<hr/>

The company has no recognised gains and losses other than the loss for the year shown above, and therefore no statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents. All income and expenditure relates to discontinued operations.

The notes on pages 8 to 11 form an integral part of these financial statements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESTER HOUSING LIMITED

We have audited the financial statements of Chester Housing Limited for the year ended 31 July 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2015 and of its result 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from preparing a Strategic Report.



**Christopher Powell FCA (Senior Statutory Auditor)**

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Manchester, United Kingdom

12/2/2016

# CHESTER HOUSING LIMITED

## BALANCE SHEET As at 31 July 2015

	Note	2015 £	2014 £
<b>Current assets</b>			
Debtors	7	-	16,716
Cash at bank and in hand		-	586,669
		<u>-</u>	<u>603,385</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>-</u>	<u>(588,478)</u>
<b>Net current assets</b>		<u>-</u>	<u>14,907</u>
<b>Net assets</b>		<u>-</u>	<u>14,907</u>
<b>Capital and reserves</b>			
Called up share capital	9	5	5
Profit and loss account		(5)	14,902
<b>Shareholders' funds</b>		<u>-</u>	<u>14,907</u>

The notes on pages 8 to 11 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 12<sup>th</sup> February 2016 and were signed on its behalf by:



**Professor TJ Wheeler**  
Director

Company registered number 2537993

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Year ended 31 July 2015**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Opening shareholders' funds	14,907	57,876
Loss for the financial year	(14,907)	(42,969)
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>-</b>	<b>14,907</b>
	<hr/>	<hr/>



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 July 2015**

**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in the current and preceding years in dealing with items which are considered material in relation to the company's financial statements.

**Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, and under the historical cost accounting rules.

A cash flow statement has not been prepared since the company is entitled to the filing exemptions as a small company under Sections 382 and 465 of the Companies Act 2006 when filing accounts with the registrar of companies.

Under Financial Reporting Standard 8 the company is exempt from the requirement to disclose related party transactions with the University of Chester on the grounds that it is a wholly owned subsidiary undertaking of the University of Chester.

The Company has ceased trading and the Directors intend that the Company will become dormant. Consequently, as required by FRS 18, the financial statements have been prepared on a basis other than that of a going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Turnover**

Turnover represents the amounts (excluding value added tax) derived wholly from the provision of student accommodation.

**Leasing and similar hire purchase contracts**

All leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight-line basis over the life of the lease.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 July 2015**

**2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2015 £	2014 £
<b>Loss on ordinary activities before taxation is stated after charging</b>		
Fees payable to the company's auditor for the audit of the company's annual accounts	-	1,779
Fees payable to the company's auditor and their associates for other services to the Group		
Rentals payable under operating leases:		
Land and buildings	-	50,500
Gift aid covenant (see Note 6)	-	241,368
	<u>                    </u>	<u>                    </u>

**3. REMUNERATION OF DIRECTORS**

The directors received no remuneration during the year.

**4. EMPLOYEE INFORMATION**

The company has no direct employees. Employees providing services on behalf of the company are employed by the University of Chester. The University of Chester recovers costs incurred by means of a recharge

**5. OTHER INTEREST RECEIVABLE AND SIMILAR CHARGES**

	2015 £	2014 £
Bank interest	-	845
	<u>                    </u>	<u>                    </u>

**6. TAXATION**

Analysis of charge in year/period

	2015 £	2014 £
<b>UK corporation tax</b>		
Current tax on income for the year	-	-
Adjustments in respect of prior periods	-	-
	<u>                    </u>	<u>                    </u>
Total current tax	-	-
Tax on profit on ordinary activities	<u>                    </u>	<u>                    </u>

For the year ended 31 July 2014, in order to comply with the requirements of FRS 21, a deed of covenant is in place between Housing and its Parent company (the University of Chester) detailing all taxable profits will be paid to the Parent company. This demonstrates a constructive obligation indicating the intention to gift aid all taxable profits to the University of Chester.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 July 2015**

**6. TAXATION (continued)**

**Factors affecting the tax charge for the current year**

The current tax charge for the year is lower (2014: tax credit is lower) than the standard rate of corporation tax in the UK 20.67% (2014: 22.33%). The differences are explained below.

	2015 £	2014 £
<b>Current tax reconciliation</b>		
(Loss)/profit on ordinary activities before tax	-	(42,969)
Current tax at 20.67% (2014: 22.33%)	-	(9,596)
Effects of:		
Expenses not deductible for tax purposes	-	17,584
Capital allowances for year less than depreciation	-	-
Movement in short term timing differences	-	(7,988)
Total current tax charge (see above)	-	-

**Factors that may affect future tax charges**

The apportioned rate of 22.33% was calculated from the prevailing rate of 23% for 2013 and 21% from April 2014 onwards. The main rate of corporation tax will be set at 20% from 1<sup>st</sup> April 2015.

**7. DEBTORS**

	2015 £	2014 £
Trade debtors	-	4,036
Prepayments and accrued income	-	12,680
	-	16,716

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Trade creditors	-	9,058
Payments in advance	-	11,875
Amounts owed to University of Chester	-	510,297
Accruals and deferred income	-	57,248
	-	588,478

**9. CALLED UP SHARE CAPITAL**

	2015 £	2014 £
<b>Authorised</b>		
5 Ordinary shares of £1 each	5	5
<b>Allotted, called up and paid</b>		
5 Ordinary shares of £1 each	5	5

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 July 2015**

**10. COMMITMENTS**

No capital commitments existed at the end of the financial year.

**11. ULTIMATE HOLDING INSTITUTION**

The ultimate holding institution is the University of Chester which is a charity registered in the United Kingdom.

**12. DEFERRED TAXATION**

The elements of deferred taxation are as follows:

	31 July 2015 £	31 July 2014 £
Difference between accumulated depreciation and amortisation and capital allowances	-	-
Short term timing differences - trading	-	-
Undiscounted asset	-	-
Deferred tax asset – unrecognised	-	-

**Factors that may affect future tax charges**

The deferred tax asset shown above existed at the balance sheet date. Management do not consider that suitable taxable profits will be available in the future to recognise the asset in the balance sheet. Therefore, the asset remains unrecognised on the balance sheet.

**13. OPERATING LEASE COMMITMENTS**

At 31 July 2014 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2015 £	2014 £
<b>Leases which expire in:</b>		
Less than one year	-	-
Two to five years	-	-
Greater than five years	-	-

**14. RELATED PARTY TRANSACTIONS**

The company is a wholly owned subsidiary undertaking of the group headed by the University of Chester and accordingly the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of the University of Chester, within which this company is included, can be obtained from the University of Chester, Parkgate Road, Chester, CH1 4BJ.