

**EDGE HILL  
ENTERPRISES LIMITED**

**REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2003**



**Registered No. 2550626**

**EDGE HILL ENTERPRISES LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2003**

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## **EDGE HILL ENTERPRISES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2003**

The directors present their report and the audited financial statements of the company for the year ended 31 July 2003.

#### **Principal activities**

The profit and loss account for the year is set out on page 6.

The principal activity of the company is the promotion of Edge Hill College of Higher Education and the undertaking of related commercial activities.

#### **Review of business and future developments**

The focus of the business is to deliver training in Government funded initiatives such as Learndirect as well as commercial training of nationally recognised programmes (ECDL/NVQ).

The directors consider the level of business and the financial position of the company at 31 July 2003 to be satisfactory. It is expected that this will continue for the foreseeable future.

The taxable profit for the company each year is paid via a deed of covenant to the immediate parent company Edge Hill College of Higher Education. As such there are no distributable reserves remaining and the directors therefore do not recommend the payment of any dividend.

The company made no taxable profit for the year and therefore no liability to Corporation Tax arises.

#### **Directors**

The directors of the company during the year were as follows:

B D Millner	(Chairman from 19 <sup>th</sup> March 2002)
Dr. J Cater	
S J Igoe	
A Wilson	
D M Tomkins	

In accordance with the Articles of Association, D M Tomkins and S J Igoe retire by rotation and, being eligible, offer themselves for re-election.

No director had any interest in the shares of the company or any other group companies at 31 July 2003 or at 31 July 2002.

**EDGE HILL ENTERPRISES LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**

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**Insurance of directors**

The company maintains insurance for the directors of Edge Hill Enterprises Limited in respect of their duties as directors of the company.

**Close company provisions**

The company is a close company as defined by Section 414 of the Income and Corporation Taxes Act 1988. There has been no change in this respect since the end of the financial period.

**Directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 July 2003. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **EDGE HILL ENTERPRISES LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

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#### **Auditors**

KPMG LLP were appointed auditors on 30<sup>th</sup> September 2002. A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

#### **By order of the Board**



**Dr. J Cater**  
**Director**  
**6<sup>th</sup> October 2003**

## **EDGE HILL ENTERPRISES LIMITED**

### **REPORT OF INDEPENDENT AUDITORS, KPMG LLP, TO THE MEMBERS OF EDGE HILL ENTERPRISES LIMITED**

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We have audited the financial statements on pages 6 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors**

The directors are responsible for preparing the directors' report and as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

#### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**EDGE HILL ENTERPRISES LIMITED**

**REPORT OF INDEPENDENT AUDITORS, KPMG LLP, TO THE MEMBERS OF  
EDGE HILL ENTERPRISES LIMITED (CONTINUED)**

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**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 July 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP*

**KPMG, LLP  
Chartered Accountants and Registered Auditors  
St James' Square  
Manchester  
M2 6DS  
6<sup>th</sup> October 2003**

# EDGE HILL ENTERPRISES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2003

	NOTE	2003 £000	2002 £000
Turnover	1	1,505	1,420
Cost of sales		(863)	(788)
		<hr/>	<hr/>
<b>Gross profit</b>		642	632
Administrative expenses		(642)	(632)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	2	-	-
Taxation on ordinary activities		-	-
		<hr/>	<hr/>
<b>Retained profit for the year</b>		<hr/>	<hr/>

The company has no recognised gains and losses other than those reported 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 period stated above, and their historical cost equivalents.

All income and expenditure relates to continuing operations.

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

# EDGE HILL ENTERPRISES LIMITED

## BALANCE SHEET AT 31 JULY 2003

	NOTE	2003 £000	2002 £000
<b>CURRENT ASSETS</b>			
Stock		-	26
Debtors	5	444	932
		<u>444</u>	<u>958</u>
Creditors : amounts falling due within one year	6	(443)	(957)
		<u>1</u>	<u>1</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called-up share capital: Equity Shareholders' Funds	7	<u>1</u>	<u>1</u>

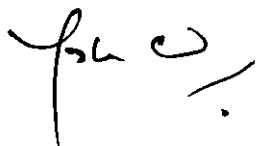
The notes on pages 8 to 11 form an integral part of the financial statements.

The financial statements on pages 6 to 11 were approved by the Board of Directors on 6<sup>th</sup> October 2003 and were signed on its behalf by:

B.D Millner  
Director



Dr. J Cater  
Director



# **EDGE HILL ENTERPRISES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2003**

### **1. PRINCIPAL ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with applicable Accounting and Financial Reporting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently is set out below.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

#### **Tangible fixed assets**

The company has no tangible fixed assets. Buildings and equipment are rented from Edge Hill College of Higher Education.

#### **Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied and accrued income for funding of courses.

#### **Cash at Bank**

The policy of the company is to state bank and cash balances as the bank statement balance and to include within trade creditors those cheques which have not yet been presented for payment at the bank. Uncredited lodgements are included within trade debtors.

#### **Pension scheme arrangements**

Retirement benefits for employees are provided through Lancashire County Council Superannuation Scheme. Full details of this scheme are included in the Report of Edge Hill College of Higher Education.

The pension charge for the financial year was £ 28,624 (2002: £33,481).

#### **Cash flow statement**

The company is a wholly owned subsidiary of a UK parent corporation which itself produces a consolidated group cash flow statement in accordance with applicable accounting standards. The company has, therefore, taken advantage of the exemption granted by FRS 1: Cash Flow Statements, not to produce its own cash flow statement.

# EDGE HILL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Related Parties Disclosure

The company is a member of a group with an interest exceeding 90% and is included within the consolidated financial statements of Edge Hill College of Higher Education which are publicly available.

The company has taken advantage of the exemption permitted by FRS8: Related Party Disclosures, not to disclose transactions with other group companies.

### Foreign Currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange gains or losses are included in the profit on ordinary activities.

## 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging :

	2003 £000	2002 £000
Auditors' remuneration for audit services	1	-
Deed of covenant to Edge Hill College of Higher Education	<u>134</u>	<u>2</u>

Under a Deed of Covenant dated 18 March 1994, Edge Hill Enterprises Limited has agreed to pay to Edge Hill College of Higher Education, until the end of the period ending on or after 31 March 1998 or until the sums payable under the deed cease to be a charge on the income of the company for the purposes of income and corporation tax, such annual sum out of its profits brought into charge for Corporation Tax as shall amount to the distributable profits of the company for each accounting period. The company made a gross deed of covenant payment for the period of £ 133,907 (2002: £2,060).

Remuneration of the company's auditors for provision of non-audit services was £1,489 (2002: £1,921).

## 3. DIRECTORS' EMOLUMENTS

There were no payments to directors for their services during the period.

# EDGE HILL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 4. EMPLOYEE INFORMATION

The average monthly number of employees was 30 (2002: 35).

Staff costs for the above were:

	2003 £000	2002 £000
Wages & salaries	448	563
Social security costs	31	32
Pensions	<u>29</u>	<u>33</u>
	<u>508</u>	<u>628</u>

The above figures represent the cost of staff employed directly by Edge Hill Enterprises Limited. In addition, staff employed by Edge Hill College of Higher Education working full-time or part-time for Edge Hill Enterprises Limited, equivalent to 9.09 full-time staff members, have been charged to Edge Hill Enterprises Limited by Edge Hill College of Higher Education amounting to £ 234,873 (2002: £264,669).

### 5. DEBTORS

	2003 £000	2002 £000
Trade debtors	139	104
Amount due from parent institution	291	815
Prepayments	<u>14</u>	<u>13</u>
	<u>444</u>	<u>932</u>

### 6. CREDITORS: Amount falling due within one year

	2003 £000	2002 £000
Trade creditors	28	21
Amounts due to parent institution	219	746
Income tax	2	28
Other taxation and social security	8	10
Other creditors	1	5
Accruals and deferred income	<u>185</u>	<u>147</u>
	<u>443</u>	<u>957</u>

# EDGE HILL ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 7. CALLED UP SHARE CAPITAL AND EQUITY SHAREHOLDERS' FUNDS

	2003 £000	2002 £000
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
<b>Allotted, called up and fully paid</b>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>

### 8. ULTIMATE HOLDING INSTITUTION AND CONTROLLING PARTY

The directors regard Edge Hill College of Higher Education, which is a body registered in the United Kingdom under the Education Reform Act 1988, as the ultimate holding institution and controlling party. Copies of the consolidated accounts of the Edge Hill Group may be obtained on request from the Director of Resources, Edge Hill College of Higher Education, St. Helens Road, Ormskirk L39 4QP.