

**EDGE HILL
ENTERPRISES LIMITED**

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**



Registered No. 02550626

EDGE HILL ENTERPRISES LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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EDGE HILL ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2016

The directors present their report and the audited financial statements of the company for the year ended 31 July 2016.

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 University and the undertaking of related commercial activities.

Review of business and future developments

The focus of the business is to manage commercial activity provided to both private and public sector bodies and the international activities of Edge Hill University.

The directors consider the level of business and the financial position of the company at 31 July 2016 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 University. 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:

Dr. John Cater
Mr Bernard Lavery

In accordance with the Articles of Association, Mr Bernard Lavery will retire by rotation and, being eligible, offer himself for re-election.

EDGE HILL ENTERPRISES LIMITED

DIRECTORS' REPORT (CONTINUED)

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.

Disclosure of information to auditors

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

Auditors

In accordance with Section 487 of the Companies Act 2006, a resolution for the reappointment of KPMG LLP as auditors of the company has been proposed at the Annual General Meeting.

By order of the Board



Dr John Cater
Director

5 December 2016

Company registration no: 02550626

EDGE HILL ENTERPRISES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 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; 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.

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.



EDGE HILL ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDGE HILL ENTERPRISES LIMITED

We have audited the financial statements of Edge Hill Enterprises Limited for the year ended 31 July 2016 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

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 set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



EDGE HILL ENTERPRISES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EDGE HILL ENTERPRISES LIMITED**

Opinion on other matter prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

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 the requirement to prepare a strategic report.

Clare Partridge (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds LS1 4DA
6 December 2016

EDGE HILL ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR END 31 JULY 2016

	NOTE	2016 £000	2015 £000
Turnover	1	1,089	860
Cost of Sales		(1,027)	(846)
Gross Profit		<u>62</u>	<u>14</u>
Administrative expense		-	-
Profit on ordinary activities before taxation	2	62	14
Taxation on ordinary activities	5	(12)	(3)
Profit for the year		<u>50</u>	<u>11</u>

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2016

	2016 £'000	2015 £'000
Opening balance	50	50
Profit after tax	50	11
Deed of covenant	(62)	(14)
Current tax credit on deed of covenant	12	3
Closing balance	<u>50</u>	<u>50</u>

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.

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

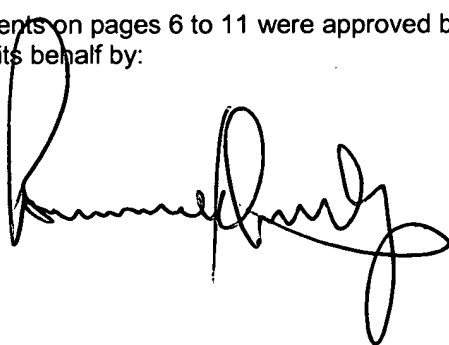
BALANCE SHEET AT 31 JULY 2016

	NOTE	2016 £000	2015 £000
CURRENT ASSETS			
Debtors	6	292	729
Cash in bank		86	100
		<u>378</u>	<u>829</u>
Creditors: amounts falling due within one year	7	(328)	(779)
		<u></u>	<u></u>
NET ASSETS/(LIABILITIES)		<u>50</u>	<u>50</u>
CAPITAL AND RESERVES			
Called-up share capital	8	1	1
Revenue Reserve	8	<u>49</u>	<u>49</u>
Equity Shareholders' Funds		<u>50</u>	<u>50</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 17 October 2016 and were signed on its behalf by:

Bernard Laverty
Director



Dr John Cater
Director



EDGE HILL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements are the first financial statements that comply with Financial Reporting Standard 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) ('FRS 102'). The date of transition is 1 August 2015. Having considered the transition no adjustments to measurement or recognition have been required. The financial statements are prepared under the historical cost convention.

The accounts have been prepared in accordance with the provisions of FRS 102 Section 1A small entities, on the grounds of the company qualifying as a small company under the provisions of the Companies Act 2006. There were no material departures from that standard, and the company has applied relevant disclosure exemptions, including exemption from the requirement to prepare a cash flow statement, a separate statement of comprehensive income and for certain key management personnel disclosures.

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

Going concern

In assessing the appropriateness of the application of the going concern basis, the Directors have considered the available forecasts, the uncertainties around the general economic environment, the current and future trading performance of the company, and its available financial resources.

Following this review the directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the financial statements.

Judgements and key areas of uncertainty

The Directors have considered the areas where judgements are required in the preparation of the financial statements and concluded that there are no significant areas of estimation in reporting the fair value of transactions and balances.

Taxation

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

Tax credits on the payment under deed of covenant to the parent organisation are recognised in the statement of changes in reserves. There is therefore no deferred tax asset or liability to recognise.

Tangible fixed assets

The company has no tangible fixed assets. Buildings and equipment are rented from Edge Hill University.

EDGE HILL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Cash balances are stated as cash book balances.

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 University.

The pension charge for the financial year was NIL (2015: NIL).

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 University which are publicly available. The company has taken advantage of the exemption permitted by FRS 102, 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:

	2016 £000	2015 £000
Auditors remuneration for audit services	-	1
Deed of covenant to Edge Hill University	<u>62</u>	<u>14</u>

Under a Deed of Covenant dated 18 March 1994, Edge Hill Enterprises Limited has agreed to pay to Edge Hill University, 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 £61,853 (2014: £14,245).

Remuneration of the company's auditors for provision of non-audit services was £3,967 (2015: £963).

EDGE HILL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. DIRECTORS' EMOLUMENTS

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

4. EMPLOYEE INFORMATION

The average monthly number of employees was 0 (2015: NIL).

Staff costs for the above were:

	2016 £000	2015 £000
Wages and salaries	-	-
Social security costs	-	-
Pensions	-	-
	<u>-</u>	<u>-</u>

The above figures represent the cost of staff employed directly by Edge Hill Enterprises Limited. In addition, staff employed by Edge Hill University working full-time or part-time for Edge Hill Enterprises Limited, equivalent to 27.68 full-time staff members, have been charged to Edge Hill Enterprises Limited by Edge Hill University amounting to £390,833 (2015: £273,759).

5. TAX

Reconciliation of tax charge	2016 £000	2015 £000
Profit on ordinary activities before tax	<u>62</u>	<u>14</u>
Profit on ordinary activities multiplied by standard rate of corporation tax of 20%	12	3
Tax charge for the year	<u>12</u>	<u>3</u>

6. DEBTORS

	2016 £000	2015 £000
Trade Debtors	13	39
Amount due from parent institution	272	685
Prepayments	7	5
	<u>292</u>	<u>729</u>

EDGE HILL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. CREDITORS: Amount falling due within one year

	2016 £000	2015 £000
Trade creditors	3	2
Amount due to parent institution	303	752
Income tax	-	2
Other creditors	6	5
Accruals and deferred income	16	18
	<u>328</u>	<u>779</u>

8. CALLED UP SHARE CAPITAL AND EQUITY SHAREHOLDERS FUNDS

	2016 £000	2015 £000
(a) Share Capital		
Authorised		
1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 ordinary share of £1 each	<u>1</u>	<u>1</u>
(b) Revenue Reserve	£000	£000
At 1 August	49	49
Retained profit for the year	<u>-</u>	<u>-</u>
At 31 July	<u>49</u>	<u>49</u>

9. ULTIMATE HOLDING INSTITUTION AND CONTROLLING PARTY

The directors regard Edge Hill University, 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 Deputy Vice-Chancellor, Edge Hill University, St. Helens Road, Ormskirk L39 4QP