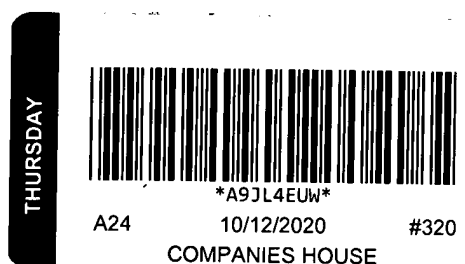


**EDGE HILL
ENTERPRISES LIMITED**

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

Registered No. 02550626



EDGE HILL ENTERPRISES LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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EDGE HILL ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020

The directors present their report and the audited financial statements of the company for the year ended 31 July 2020. The directors have applied the small companies exemption not to prepare a strategic report.

Principal activities

The profit and loss account for the year is set out on page 8.

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.

The directors consider the level of business and the financial position of the company at 31 July 2020 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
Professor Clive Edwards

In accordance with the Articles of Association, Dr John Cater 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.

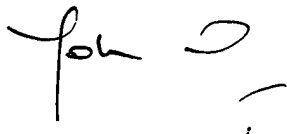
Disclosure of information to auditor

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 auditor is 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 auditor is 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

23 November 2020

Company registration no: 02550626

Registered Office: St Helens Road, Ormskirk, Lancashire, L39 4QP

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 with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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; and
- 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.

EDGE HILL ENTERPRISES LIMITED

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

Opinion

We have audited the financial statements of Edge Hill Enterprises Limited ("the company") for the year ended 31 July 2020, which comprise the Profit and Loss Account, the Statement of Changes in Reserves, the Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material **uncertainty that**

EDGE HILL ENTERPRISES LIMITED

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

may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; 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

Under the Companies Act 2006 we are required 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

EDGE HILL ENTERPRISES LIMITED

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

- 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, take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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

EDGE HILL ENTERPRISES LIMITED

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

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.



Debra Chamberlain (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peters Square, Manchester, M2 3AE

30/11/20

EDGE HILL ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR END 31 JULY 2020

	NOTE	2020 £000	2019 £000
Turnover	1	704	1,057
Cost of Sales		(651)	(1,010)
Gross Profit		53	47
Administrative expense		-	-
Profit on ordinary activities before taxation	2	53	47
Taxation on ordinary activities	5	-	-
Profit for the year		53	47

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2020

		2020 £'000	2019 £'000
Opening balance		51	51
Profit after tax		53	47
Deed of covenant	6	(53)	(47)
Closing balance		51	51

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 10 to 14 form an integral part of the financial statements.

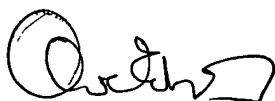
EDGE HILL ENTERPRISES LIMITED

BALANCE SHEET AT 31 JULY 2020

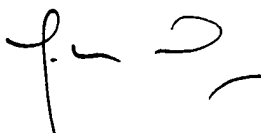
	NOTE	2020 £000	2019 £000
CURRENT ASSETS			
Debtors	7	470	596
Cash in bank		37	60
		<u>507</u>	<u>656</u>
Creditors: amounts falling due within one year	8	(456)	(605)
		<u></u>	<u></u>
NET ASSETS/(LIABILITIES)		<u>51</u>	<u>51</u>
CAPITAL AND RESERVES			
Called-up share capital	9	1	1
Revenue Reserve	9	<u>50</u>	<u>50</u>
Equity Shareholders' Funds		<u>51</u>	<u>51</u>

The notes on pages 10 to 14 form an integral part of the financial statements.

The financial statements on pages 8 to 14 were approved by the Board of Directors on 23 November 2020 and were signed on its behalf by:



Professor Clive Edwards
Director



Dr John Cater
Director

Company registration no: 02550626

EDGE HILL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company is a 100% owned subsidiary of the University created with the sole purpose of providing services to the University and its other subsidiaries. The directors have reviewed the Group's medium term financial plan, including cash flow forecasts for a period of 16 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, including changes arising from the Covid-19 pandemic, the company will have sufficient funds, to meet its liabilities as they fall due for that period.

The directors therefore continue to adopt the going concern basis in preparing the annual 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.

EDGE HILL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

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.

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.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2020 £000	2019 £000
Auditor remuneration for audit services	<u>2</u>	<u>2</u>

Remuneration of the company's auditor for provision of non-audit services was £4,472 (2019: £4,468).

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 NIL (2019: NIL).

Staff costs for the above were:

	2020 £000	2019 £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 29.45 full-time staff members, have been charged to Edge Hill Enterprises Limited by Edge Hill University amounting to £423,897 (2019: £477,881).

5. TAX

Reconciliation of tax charge	2020 £000	2019 £000
Profit on ordinary activities before tax	<u>53</u>	<u>47</u>
Profit on ordinary activities multiplied by standard rate of corporation tax of 19% (2019 19%)	10	9
Deed of covenant payment to Edge Hill University	(10)	(9)
Tax charge for the year	<u>-</u>	<u>-</u>

6. DEED OF COVENANT

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 £53,782 (2019: £46,571).

EDGE HILL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. DEBTORS

	2020	2019
	£000	£000
Trade Debtors	1	5
Amount due from parent institution	456	576
Prepayments	13	15
	<u>470</u>	<u>596</u>

8. CREDITORS: Amount falling due within one year

	2020	2019
	£000	£000
Trade creditors	4	10
Amount due to parent institution	380	573
Other creditors	4	3
Accruals and deferred income	68	19
	<u>456</u>	<u>605</u>

9. CALLED UP SHARE CAPITAL AND EQUITY SHAREHOLDERS FUNDS

	2020	2019
	£000	£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	50	50
Retained profit for the year	<u>-</u>	<u>-</u>
At 31 July	<u>50</u>	<u>50</u>

EDGE HILL ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. 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