

**EDGE HILL
L R C LIMITED**

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1995**

Registered No. 2864238



EDGE HILL LRC LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1995**

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EDGE HILL LRC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1995

The directors present their report and the audited financial statements for the year to 31 July 1995.

Principal activities

The profit and loss account for the period is set out on page 4.

The principal activity of the company is the property management of the Learning Resources Centre, situated at Edge Hill College, Ormskirk, Lancashire, with a resultant rental charge to the parent company enabling the identification of an asset rent.

Review of business and future developments

The directors consider the result and the financial position of the company at 31 July 1995 were satisfactory, and expect this to continue in the foreseeable future.

There is no profit on ordinary activities after taxation and the directors are unable to recommend the payment of dividend.

Directors

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

R A Wilson (Chairman)
M R Flinn
Dr J Cater (Company Secretary)
B D Millner (Appointed 7.11.94)

In accordance with the Articles of Association, Dr J Cater and Mr B D Millner retire by rotation and, being eligible, offer themselves for re-election.

Directors' interests

The Directors have no financial interests in the company.

Change in presentation of the financial statements

Following the introduction of Financial Reporting Standard No. 4, "Capital Instruments", the financial statements have been amended to comply with the new requirements. Shareholders' funds have been analysed between equity and non-equity interests.

EDGE HILL LRC LIMITED

DIRECTORS' REPORT (CONTINUED)

Insurance of directors

The company maintains insurance for the directors of Edge Hill LRC 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.

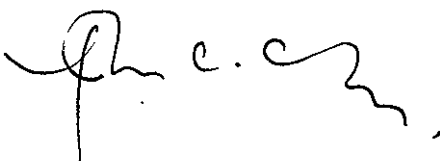
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 July 1995. The directors also confirm that applicable accounting standards 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, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the Board



J Cater
Company Secretary

23 October 1995

EDGE HILL LRC LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF EDGE HILL LRC LIMITED

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

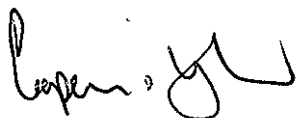
Basis of opinion

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 July 1995 and of its result and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
Liverpool

23 October 1995

EDGE HILL LRC LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1995

	NOTE	1995 £000	* 1994 £000
Turnover		113	66
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		113	66
Administrative expenses		(113)	(66)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	-	-
Taxation on ordinary activities		-	-
		<hr/>	<hr/>
Profit retained on ordinary activities after taxation		-	-
		<hr/>	<hr/>

The company has no recognised gains and losses other than the profit for the period, 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 7 to 9 form an integral part of the financial statements.

* The comparative figures are in respect of the period 20 October 1993 to 31 July 1994.

EDGE HILL LRC LIMITED

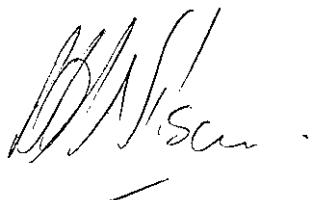
BALANCE SHEET at 31 July 1995

	NOTE	1995 £000	1994 £000
Current assets			
Debtors :			
Amounts falling due within one year	5	37	33
Amounts falling due after one year	5	2,286	2,286
Cash at bank and in hand		30	-
		<hr/>	<hr/>
		2,353	2,319
Creditors : amounts falling due within one year	6	(67)	(33)
Loan repayable on demand	6	(800)	(800)
		<hr/>	<hr/>
NET ASSETS		1,486	1,486
		<hr/>	<hr/>
CAPITAL AND RESERVES			
		<hr/>	<hr/>
Share capital : Equity shareholders' funds	7	1,486	1,486
		<hr/>	<hr/>

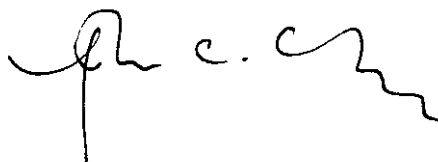
The notes on pages 7 to 9 form an integral part of the financial statements.

The financial statements on pages 4 to 9 were approved by the Board of Directors on 23 October 1995 and were signed on its behalf by :

R A Wilson
Director



Dr J Cater
Director



EDGE HILL LRC LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 1995

	NOTE	1995 £000	1994 £000
Net cash inflow/(outflow) from continuing operating activities	(i)	48	(2,304)
Financing			
Loans		-	800
Share Capital		-	1,486
Net cash inflow from financing		-	2,286
Increase/(Decrease) in cash and cash equivalents	8	48	(18)

(i) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW (OUTFLOW) FROM CONTINUING OPERATING ACTIVITIES

	1995 £000	1994 £000
Profit on ordinary activities before taxation	-	-
Increase in amounts due from parent institution	(4)	(2,319)
Increase in amounts due to parent institution	13	8
Increase in income tax payable	10	6
Increase in accruals and deferred income	19	1
Increase in creditors	10	-
Net cash inflow/(outflow) from continuing operating activities	48	(2,304)

EDGE HILL LRC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1995

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently except as noted under "Change in Accounting presentation" below, is set out below.

Change in accounting presentation

Financial Reporting Standard No. 4 requires that shareholders' funds are analysed between equity and non-equity interests. Accordingly, shareholders' funds have been analysed as equity interests.

Basis of accounting

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

Tangible fixed assets

The company purchased the Learning Resource Centre from Edge Hill College in December 1993 and now leases the building to Edge Hill College. Under the terms of the lease and in accordance with SSAP 21 the asset is capitalised and depreciated in Edge Hill College's accounts.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied and accrued rent.

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.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging :

	1995 £000	1994 £000
Auditors' remuneration	1	1
Deed of covenant to Edge Hill College of Higher Education	55	23
	<hr/>	<hr/>

Under a Deed of Covenant dated 19 March 1994, Edge Hill LRC Limited has agreed to pay to Edge Hill College of Higher Education, an amount equal to the taxable profit of the company annually until the end of the period ending 31 March 1998 or until the annual sums payable under the deed cease to be a charge on the income of the company for the purposes of corporation tax. The company made a gross deed of covenant payment for the tax accounting period of £55,000.

Remuneration of the company's auditors for provision of non-audit services was £1,000.

EDGE HILL LRC 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 company did not have any employees in the period; accordingly no staff costs were incurred.

5. DEBTORS

	1995 £000	1994 £000
Amount due from parent institution within 1 year	37	33
Amount due from parent institution after more than 1 year	2,286	2,286
	<u>2,323</u>	<u>2,319</u>

6. CREDITORS - PAYABLE WITHIN 1 YEAR

	1995 £000	1994 £000
Bank overdraft	-	18
Amounts due to parent institution	21	8
Income tax	16	6
Accruals and deferred income	20	1
Value added tax	<u>10</u>	<u>-</u>
	<u>67</u>	<u>33</u>
Loan from parent insitution payable on demand	<u>800</u>	<u>800</u>

EDGE HILL LRC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. CALLED UP SHARE CAPITAL AND SHAREHOLDERS' FUNDS

	1995 £000	1994 £000
Authorised		
2,000,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid		
1,486,000 ordinary shares of £1 each	<u>1,486</u>	<u>1,486</u>

8. CASH AND CASH EQUIVALENTS

	1995 £000	1994 £000
Changes during the year		
At 1 August 1994/20 October 1993	(18)	-
Net cash inflow/(outflow)	<u>48</u>	<u>(18)</u>
At 31 July	<u>30</u>	<u>(18)</u>

	1995 £000	1994 £000	1995 Change in year £000	1994 £000	1993 £000	1994 Change in period £000
Analysis of balances						
Cash at bank and in hand	30	-	30	-	-	-
Bank overdrafts	-	(18)	18	(18)	-	(18)
	<u>30</u>	<u>(18)</u>	<u>48</u>	<u>(18)</u>	<u>-</u>	<u>(18)</u>

9. ULTIMATE HOLDING INSTITUTION

The holding institution is Edge Hill College of Higher Education which is a body registered in the United Kingdom under the Education Reform Act 1988.