

**EDGE HILL COLLEGE**

**SCIENCE LIMITED**

**REPORT AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2001**

**Registered No. 3009465**



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**EDGE HILL COLLEGE SCIENCE LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2001**

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# **EDGE HILL COLLEGE SCIENCE LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2001**

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The directors present their report and the audited financial statements of the company for the year to 31 July 2001.

### **Principal activities**

The profit and loss account for the period is set out on page 5.

The principal activity of the company relates to the physical development of the Estate of Edge Hill College of Higher Education, Ormskirk, Lancashire.

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

The directors consider the result and the financial position of the company at 31 July 2001 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 :

R.P. Bradshaw (Chairman) Appointed 16<sup>th</sup> October 2000  
R A Wilson (Chairman) Resigned 16<sup>th</sup> October 2000  
M R Flinn  
B D Millner  
Dr J Cater

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

### **Directors' interests**

The Directors have no financial interests in the company.

# **EDGE HILL COLLEGE SCIENCE LIMITED**

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

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### **Insurance of directors**

The company maintains insurance for the directors of Edge Hill College Science 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.

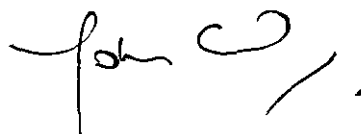
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 July 2001. The directors also confirm that applicable accounting standards 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.

### **Auditors**

A resolution to reappoint KPMG as auditors to the company will be proposed at the annual general meeting.

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



**Dr J Cater**  
**Director**

**15<sup>th</sup> October 2001**

## **EDGE HILL COLLEGE SCIENCE LIMITED**

### **REPORT OF THE AUDITORS TO THE MEMBERS OF EDGE HILL COLLEGE SCIENCE LIMITED**

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We have audited the financial statements on pages 5 to 10, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report including, as described on page 2, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and 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. 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 is not disclosed.

We read the other information contained in the Annual Report and 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 COLLEGE SCIENCE LIMITED**

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
EDGE HILL COLLEGE SCIENCE 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<sup>st</sup> July 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

**KPMG**

**Chartered Accountants and Registered Auditors  
Manchester**

15 October 2001

# EDGE HILL COLLEGE SCIENCE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2001

	NOTE	2001 £000	2000 £000
Turnover	1	-	91
Cost of sales		-	(12)
		<hr/>	<hr/>
<b>Gross profit</b>		0	79
Administrative expenses		(234)	(126)
		<hr/>	<hr/>
<b>Profit on ordinary activities before interest</b>		(234)	(47)
Interest receivable		234	47
		<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/>	<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 10 form an integral part of the financial statements.

# EDGE HILL COLLEGE SCIENCE LIMITED

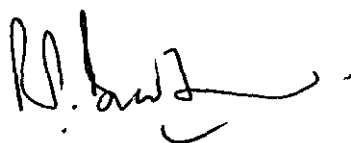
## BALANCE SHEET AT 31 JULY 2001

	NOTE	2001 £000	2000 £000
<b>FIXED ASSETS</b>			
Tangible assets	5	3,018	140
<b>CURRENT ASSETS</b>			
Debtors : amounts falling due after one year	6	3,705	3,705
Debtors : amounts falling due within one year	7	1,979	4,845
Creditors : amounts falling due within one year	8	(3,810)	(3,798)
<b>NET CURRENT ASSETS</b>		<u>1,874</u>	<u>4,752</u>
<b>NET ASSETS</b>		<u><u>4,892</u></u>	<u><u>4,892</u></u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital: Equity shareholders' funds	9	<u><u>4,892</u></u>	<u><u>4,892</u></u>

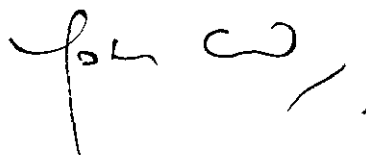
The notes on pages 7 to 10 are an integral part of the financial statements.

The financial statements on pages 5 to 10 were approved by the Board of Directors on 15<sup>th</sup> October 2001 and were signed on its behalf by :

R P Bradshaw  
Director



Dr J Cater  
Director





# EDGE HILL COLLEGE SCIENCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2001

### 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

Freehold buildings are valued at cost of construction. Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. Completed freehold buildings are amortised over 50 years.

Freehold land is not depreciated.

#### 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.

#### 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.

#### 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.

### 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated  
after charging :

	2001 £000	2000 £000
Auditors' remuneration for audit services	1	1
Deed of covenant to Edge Hill College of Higher Education	230	123
	<hr/>	<hr/>

## EDGE HILL COLLEGE SCIENCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Under a deed of covenant dated 23 October 1996 Edge Hill Science 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 eightieth anniversary of the date of the covenant unless revoked earlier or until 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 period of £229,828 (2000 : £122,635).

Remuneration of the company's auditors for provision of non-audit services was £950 (2000 : £550).

#### 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. FIXED ASSETS

	Leased Land £000	Building in the course of construction £000	Total Cost £000
At 1 August 2000	140	-	140
Additions	-	2,878	2,878
At 31 July 2001	<u>140</u>	<u>2,878</u>	<u>3,018</u>
Depreciation			
At 1 August 2000 and 31 July 2001	<u>-</u>	<u>-</u>	<u>-</u>
Net book value at 31 July 2001	<u>140</u>	<u>2,878</u>	<u>3,018</u>
Net book value at 31 July 2000	<u>140</u>	<u>-</u>	<u>140</u>

**EDGE HILL COLLEGE SCIENCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. DEBTORS : Amounts falling due after one year**

	2001 £000	2000 £000
Loans due from parent institution after more than 1 year	3,705	3,705
	<u>3,705</u>	<u>3,705</u>

**7. DEBTORS : Amounts falling due within one year**

	2001 £000	2000 £000
Loan due from parent institution within 1 year	500	500
Amount due from parent institution within 1 year	19	21
Amount due from other subsidiaries	814	3,692
Value Added Tax receivable	646	632
	<u>1,979</u>	<u>4,845</u>

**8. CREDITORS : Amounts falling due within one year**

	2001 £000	2000 £000
Amount due to parent institution	3,808	3,797
Accruals	2	1
	<u>3,810</u>	<u>3,798</u>

The Company, along with other companies in the group, has entered into various property leases the resulting assets and liabilities are reflected as inter company assets and liabilities where appropriate.

**9. CALLED UP SHARE CAPITAL**

	2001 £000	2000 £000
Authorised		
6,000,000 ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>
Allotted, called up and fully paid		
4,892,000 ordinary shares of £1 each	<u>4,892</u>	<u>4,892</u>

**EDGE HILL COLLEGE SCIENCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10. 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.