



HESA SERVICES LIMITED

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 JULY 2017

COMPANY NUMBER: 03109219

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HESA
SERVICES



HESA Services Limited
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Cheltenham
Gloucestershire
GL50 1HZ
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HESA Services Limited is registered in England at 95 Promenade, Cheltenham, GL50 1HZ. Registered No. 03109219. The company is a wholly owned subsidiary of the Higher Education Statistics Agency Limited (Registered in England No. 2766993. Registered Charity No. 1039709). Certified to ISO 27001.

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LEGAL & ADMINISTRATIVE DETAILS

Name:	HESA Services Limited
Company Registration Number:	03109219
Registered and Principal Office:	95 Promenade Cheltenham Gloucestershire GL50 1HZ
Directors:	Professor R J Last (Chair) Mr P Clark (Chief Executive) Ms Roma Chappell (from 25 April 2017) Professor Simon Gaskell (until 31 July 2017) Professor A M Nolan Mr H Shah (until 22 November 2016)
Company Secretary:	Mrs C Morris
Principal Bankers:	HSBC 2 The Promenade Cheltenham Gloucestershire GL50 1LS
Solicitors:	DAC Beachcroft LLP 7 Park Square East Leeds LS1 2LW Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
Independent Auditor:	Crowe Clark Whitehill LLP Carrick House Lypiatt Road Cheltenham Gloucestershire GL50 2QJ

The company is a wholly owned subsidiary of the Higher Education Statistics Agency Limited, a company limited by guarantee and a registered charity.

REPORT OF THE DIRECTORS

The Directors present the Annual Report of the company for the year ended 31 July 2017. This report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

PRINCIPAL ACTIVITIES

The principal activities of the company continue to be the sale of publications, the supply of data and analytical services, the provision of training and other relevant services on behalf of its parent undertaking, Higher Education Statistics Agency Limited ('HESA').

BUSINESS REVIEW

The turnover of the company has increased from £1,253,527 to £1,378,110 in the year to 31 July 2017.

The profit for the year ending 31 July 2017 has been maintained, achieving £469,342 (2016: £514,960). This amount has been transferred to HESA under a deed of covenant.

DIRECTORS

The directors who served from 1 August 2016 to the date of this report are shown below:

Professor R J Last (Chair)
Mr P Clark (Chief Executive)
Ms Roma Chappell (from 25 April 2017)
Professor Simon Gaskell (until 31 July 2017)
Professor A M Nolan
Mr H Shah (until 22 November 2016)

DIRECTORS' RESPONSIBILITIES FOR 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

REPORT OF THE DIRECTORS

The directors are responsible for keeping proper 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors of the company at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each director has taken all the steps that he/she should to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITORS

A resolution to re-appoint Crowe Clark Whitehill LLP as auditor will be proposed to the Members by way of written resolution in November 2017.

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by the Companies Act 2006.

Approved and signed by order of the Board



Claire Morris

Company Secretary

8 November 2017

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2017**

	Note	2017 £	2016 £
Turnover	1	1,378,110	1,253,527
Cost of sales		(855,912)	(711,954)
Gross profit		522,198	541,573
Administration expenses		(52,856)	(26,613)
Operating profit for the financial year before taxation		469,342	514,960
Transfer by Gift Aid to HESA	6	(469,342)	(514,960)
Taxation		-	-
Profit retained for the year ended 31 July		-	-

There were no recognised gains or losses other than the result for the year.

The company's turnover and expenses all relate to continuing activities.


The accompanying accounting policies and notes form an integral part of these financial statements.

BALANCE SHEET AS AT 31 JULY 2017
COMPANY NUMBER: 03109219

	Note	2017 £	2016 £
CURRENT ASSETS			
Debtors	3	224,053	167,957
Cash at bank and in hand	4	410,229	296,895
		634,282	464,852
Creditors: amounts falling due within one year	5	(634,281)	(464,851)
Net assets		1	1
CAPITAL AND RESERVES			
Called up share capital		1	1
Equity shareholders' fund		1	1

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Board of Directors on 8 November 2017, and signed on its behalf by:


 Professor John Last
 Chair


 Mr Paul Clark
 Chief Executive

The accompanying accounting policies and notes form an integral part of these financial statements.

PRINCIPAL ACCOUNTING POLICIES

COMPANY INFORMATION

HESA Services Limited is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of its registered office is 95 Promenade, Cheltenham, Gloucestershire, GL50 1HZ. The company is registered at Companies House England and Wales. Its registered number is 03109219.

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102. The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The following accounting policies have been applied:

GOING CONCERN

The company has cash resources and has no requirement for external funding. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

TURNOVER

Turnover is the total amount receivable for goods supplied and services provided excluding VAT and trade discounts. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured.

COST OF SALES

The company incurs some direct external expenditure in relation to publications, materials and training. It is also charged, by HESA, for the costs of certain sales made during the year, at an agreed inter-company rate.

DEBTORS

Trade debtors, other debtors and accrued income are recognised at the settlement amount due after any trade discount. Prepayments are valued at the amount prepaid net of any trade discount due.

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions.

CREDITORS

Short term creditors are initially measured at the transaction price.

BASIC FINANCIAL INSTRUMENTS

HESA Services Limited has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value (see note 4).

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

1	TURNOVER AND PROFIT FOR THE FINANCIAL YEAR	2017 £	2016 £
	The turnover is attributable to the sale of publications, the provision of data and other relevant services. It relates to activities undertaken in the following regions:		
	United Kingdom	1,360,067	1,243,361
	Rest of the World	18,043	10,166
		<u>1,378,110</u>	<u>1,253,527</u>
	The profit for the financial year is stated after charging:		
	Auditor's remuneration	<u>2,585</u>	<u>2,585</u>
2	DIRECTORS AND EMPLOYEES		
	The company has no employees. None of the directors received remuneration in the year (2016: £Nil).		
3	DEBTORS	2017 £	2016 £
	Trade debtors	221,871	162,343
	Prepayments	2,182	5,614
		<u>224,053</u>	<u>167,957</u>
4	CASH AT BANK AND IN HAND	2017 £	2016 £
	Cash at bank and in hand	<u>410,229</u>	<u>296,895</u>
5	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2017 £	2016 £
	Amounts owed to group undertakings	493,931	366,720
	Trade creditors	5,563	16,581
	Other taxes and social security	71,581	46,633
	Accruals and deferred income	63,206	34,917
		<u>634,281</u>	<u>464,851</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

6 DEED OF COVENANT

A Deed of Covenant was set up by the company on 24 July 1996 to pay an annual sum to Higher Education Statistics Agency Limited subject to available distributable profits. The company currently makes these payments using Gift Aid.

7 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of the Higher Education Statistics Agency Limited the company is exempt from the requirements under FRS102 section 33.1a to disclose transactions with other members of the group headed by the Higher Education Statistics Agency Limited. At 31 July 2017 the company owed £493,931 (2016: £366,720) to its parent undertaking.

8 CONTROLLING RELATED PARTIES

The company's ultimate parent undertaking and controlling related party is its parent undertaking the Higher Education Statistics Agency Limited (a company incorporated in England), by virtue of a 100% ownership.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by the Higher Education Statistics Agency Limited. A copy of the Higher Education Statistics Agency Limited financial statements is available from The Registrar of Companies, Companies House, Cardiff, CF14 3UZ.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HESA SERVICES LIMITED

OPINION

We have audited the financial statements of HESA Services Limited for the year ended 31 July 2017 which comprise Profit and Loss Account, Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Carrick House

Lypiatt Road

Cheltenham

Gloucestershire

GL50 2QJ

14 December 2017

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006