

**EDGE HILL**

**PROPERTY SERVICES**

**LIMITED**

**REPORT AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2014**

Registered No. 03180143



# **EDGE HILL PROPERTY SERVICES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014**

<b>CONTENTS</b>	<b>PAGES</b>
Directors' report	1-2
Directors' responsibilities	3
Report of the auditors	4-5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8-11

## **EDGE HILL PROPERTY SERVICES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2014**

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The directors present their report and the audited financial statements of the company for the year ended 31 July 2014.

#### **Principal activities**

The profit and loss account for the period is set out on page 6.

The principal activity of the company relates to various property management activities associated with the building stock of the Edge Hill University and its subsidiaries, including, where relevant, the repair and maintenance of the same.

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

The directors consider the result and the financial position of the company at 31 July 2014 to be satisfactory. It is expected that this will continue in the foreseeable future.

The taxable profit for the company each year is paid via a deed of covenant to Edge Hill Maintenance Services Limited, another wholly owned subsidiary of Edge Hill University.

The company made no taxable profit for the year and therefore no liability to Corporation Tax arises.

During the year the University waived an intergroup loan of £50k to enable Edge Hill Property Services Limited to return to a positive revenue reserve position. The company was previously carrying negative reserves arising out of the covenanting of taxable profits back to the University.

#### **Directors**

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

Dr John Cater  
Mr Bernard Laverty (Appointed 28 October 2013)  
Mr Michael Pinfold (Retired 2 July 2014)

In accordance with the Articles of Association, Mr Bernard Laverty retires by rotation and, being eligible offers himself for re-election.

## **EDGE HILL PROPERTY SERVICES LIMITED**

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

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#### **Insurance of directors**

The company maintains insurance for the directors of Edge Hill Property Services 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.

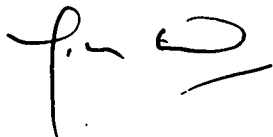
#### **Disclosure of information to auditors**

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 is to be proposed at the forthcoming Annual General Meeting.

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



**Dr John Cater**  
**Director**  
**1 December 2014**

## **EDGE HILL PROPERTY SERVICES LIMITED**

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

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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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 PROPERTY SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDGE HILL PROPERTY SERVICES LIMITED**

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We have audited the financial statements of Edge Hill Property Services Limited for the year ended 31 July 2014 (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).

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 (APB'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 web-site at [www.frc.org.uk/auditscopeukprivate](http://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 2014 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

## EDGE HILL PROPERTY SERVICES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDGE HILL PROPERTY SERVICES LIMITED

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Trevor Rees  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
St James' Square  
Manchester  
M2 6DS

1 December 2014

# EDGE HILL PROPERTY SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2014

	NOTE	2014 £000	2013 £000
Turnover		278	
Reversal of Rental Income*		(159)	
	1	119	252
Waiver of loan		50	-
Cost of Sales		(130)	
Reversal of Rental Expense*		145	
		15	(163)
<b>Gross Profit</b>		<b>184</b>	<b>89</b>
Administrative expense		(13)	(13)
<b>Profit/(loss) on ordinary activities before interest</b>		<b>171</b>	<b>76</b>
Interest receivable	2	47	47
<b>Profit on ordinary activities before taxation</b>	3	<b>218</b>	<b>123</b>
Taxation on ordinary activities	6	-	-
<b>Profit for the year</b>		<b>218</b>	<b>123</b>
Payment under Deed of Covenant		(168)	(123)
Retained profit for the year after payment under Deed of Covenant		50	Nil

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 turnover and expenditure relates to continuing operations.

\*During the year a lease and leaseback arrangement with the university was terminated leading to a reversal of rental income and expense.

The notes on pages 8 to 11 form an integral part of the financial statements.



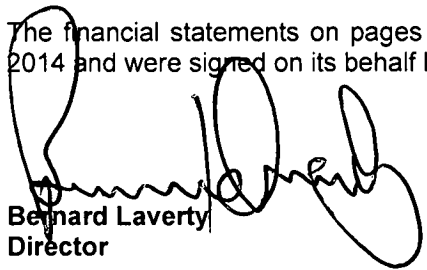
# EDGE HILL PROPERTY SERVICES LIMITED

## BALANCE SHEET AT 31 JULY 2014

	NOTE	2014 £000	2013 £000
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	7	72	22
Debtors: amounts falling due after one year	8	<u>6,608</u>	<u>6,608</u>
		6,680	6,630
Cash at bank		<u>1,277</u>	<u>1,417</u>
		7,957	8,047
Creditors: amounts falling due within one year	9	<u>(436)</u>	<u>(526)</u>
<b>NET CURRENT ASSETS</b>		7,521	7,521
Creditors: amounts falling due after more than one year	10	<u>(338)</u>	<u>(388)</u>
<b>NET ASSETS</b>		<u>7,183</u>	<u>7,133</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	11	7,138	7,138
Revenue reserve	11	45	(5)
Equity shareholders' funds	12	<u>7,183</u>	<u>7,133</u>

The notes on pages 8 to 11 are an integral part of the financial statements.

The financial statements on pages 6 to 11 were approved by the Board of Directors on 1 December 2014 and were signed on its behalf by:

  
Bernard Lavery  
Director

  
Dr John Cater  
Director

# **EDGE HILL PROPERTY SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014**

### **1. PRINCIPAL ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with applicable accounting and financial reporting standards. 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.

#### **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**

Cash balances are stated as cash book balances.

#### **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 FRS1: 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 University 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.

## EDGE HILL PROPERTY SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 2. INTEREST RECEIVABLE

	2014 £000	2013 £000
Interest receivable from parent undertaking	<u>47</u>	<u>47</u>

#### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2014 £000	2013 £000
Auditors remuneration for audit services	1	1
Deed of covenant to Edge Hill Maintenance Services Limited	<u>168</u>	<u>123</u>

Under a Deed of Covenant dated 1 August 1997, Edge Hill Property Services Limited has agreed to pay to Edge Hill Maintenance Services Limited 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 £167,952 (2013: £122,536).

Remuneration of the company's auditors for provision of non-audit services was £2,552 (2013: £2,961).

#### 4. DIRECTORS' EMOLUMENTS

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

#### 5. EMPLOYEE INFORMATION

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

# EDGE HILL PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. TAX

There is a nil charge for the year (2013:£ NIL). The proof of tax is explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	50	-
Profit on ordinary activities multiplied by standard rate of corporation tax of 22.33%	11	-
Effects of: Allowable Deed of Covenant payable to Edge Hill Maintenance Services Limited	37	29
Taxable income	(40)	(71)
Non-taxable income	(11)	-
Allowable expenditure	3	42
Current tax year charge	-	-

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

	2014 £000	2013 £000
Amount due from parent institution within 1 year	69	16
Amount due from other subsidiaries within 1 year	-	1
Trade Debtors	3	5
	<u>72</u>	<u>22</u>

### 8. DEBTORS: Amounts falling due after one year

	2014 £000	2013 £000
Loan due from parent institution after more than 1 year	3,142	3,142
Amount due from parent institution after more than 1 year	<u>3,466</u>	<u>3,466</u>
	<u>6,608</u>	<u>6,608</u>

### 9. CREDITORS: Amounts falling due within one year

	2014 £000	2013 £000
Amounts due to parent institution	427	517
Amounts due to other subsidiaries	2	3
Accruals and deferred income	5	3
Value Added Tax payable	<u>2</u>	<u>3</u>
	<u>436</u>	<u>526</u>

# EDGE HILL PROPERTY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10. CREDITORS: Amounts falling due after more than one year

	2014 £000	2013 £000
Loan due to parent institution	<u>338</u>	<u>388</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.

### 11. CALLED UP SHARE CAPITAL & EQUITY SHAREHOLDERS FUNDS

<b>(a) Share Capital</b>	2014 £000	2013 £000
Authorised 15,000,000 ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>
Allotted called up and fully paid 7,137,607 ordinary shares of £1 each	<u>7,138</u>	<u>7,138</u>
<b>(b) Revenue Reserve</b>	£000	£000
At 1 August	(5)	(5)
Retained profit for the year	<u>50</u>	<u>-</u>
At 31 July	<u>45</u>	<u>(5)</u>

### 12. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2014 £000	2013 £000
Opening Shareholders Funds	7,133	7,133
Profit for the year	<u>50</u>	<u>-</u>
Closing Shareholders Funds	<u>7,183</u>	<u>7,133</u>

### 13. 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 Pro Vice-Chancellor (Resources), Edge Hill University, St Helens Road, Ormskirk, L39 4QP.