

EDGE HILL

MAINTENANCE SERVICES

LIMITED

REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2003



Registered No. 3333261

EDGE HILL MAINTENANCE SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2003

CONTENTS	Pages
Directors' report	1-2
Report of the auditors	3-4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-9

EDGE HILL MAINTENANCE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2003

The directors present their report and the audited financial statements of the company for the year ended 31 July 2003.

Principal activities

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

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

The Company is an exempt Charity with the Charity Commissioners.

Review of business and future developments

The directors consider the result and the financial position of the company at 31 July 2003 to be satisfactory. It is expected that this will continue for the foreseeable future.

The available taxable profit for the company each year is paid via a deed of covenant to the parent company, Edge Hill College of Higher Education.

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 J Cater
B D Millner (Chairman from 19th March 2002)
S J Igoe
D M Tomkins

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

Directors' interests

The Directors have no financial interests in the company.

EDGE HILL MAINTENANCE SERVICES LIMITED
DIRECTORS' REPORT (CONTINUED)

Insurance of directors

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

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.

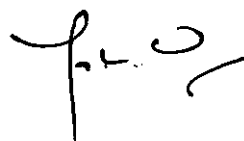
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 July 2003. The directors also confirm that applicable accounting standards 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

KPMG LLP were appointed auditors on 30th September 2002. 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 J Cater
Director
6th October 2003

EDGE HILL MAINTENANCE SERVICES LIMITED

REPORT OF INDEPENDENT AUDITORS, KPMG LLP, TO THE MEMBERS OF EDGE HILL MAINTENANCE SERVICES LIMITED

We have audited the financial statements on pages 5 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors are responsible for preparing the directors' report and as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 1985. 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 with the company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We 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.

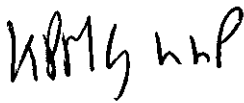
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

EDGE HILL MAINTENANCE SERVICES LIMITED

**REPORT OF INDEPENDENT AUDITORS, KPMG LLP, TO THE MEMBERS OF
EDGE HILL MAINTENANCE SERVICES LIMITED (CONTINUED)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 July 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**KPMG, LLP
Chartered Accountants and Registered Auditors
St James' Square
Manchester
M2 6DS
6th October 2003**

EDGE HILL MAINTENANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2003

	NOTE	2003 £000	2002 £000
Turnover	1	268	1,777
Cost of sales		<u>10</u>	<u>(852)</u>
Gross profit		278	925
Administrative expenses		<u>(1,802)</u>	<u>(56)</u>
(Loss)/profit on ordinary activities before taxation	2	(1,524)	869
Taxation on ordinary activities		<u>-</u>	<u>-</u>
Retained (loss)/profit for the period		<u>(1,524)</u>	<u>869</u>

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.

There is no difference between the (loss)/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.

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

EDGE HILL MAINTENANCE SERVICES LIMITED

BALANCE SHEET AT 31 JULY 2003

	NOTE	2003 £000	2002 £000
FIXED ASSETS			
Tangible assets	5	<u>78</u>	<u>78</u>
CURRENT ASSETS			
Debtors : amounts falling due within one year	6	1	1,103
Cash at Bank		<u>29</u>	<u>703</u>
		30	1,806
Creditors : amounts falling due within one year	7	<u>(4)</u>	<u>(256)</u>
NET CURRENT ASSETS		<u>26</u>	<u>1550</u>
NET ASSETS		<u>104</u>	<u>1,628</u>
REVENUE RESERVES	8	<u>104</u>	<u>1,628</u>

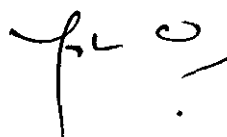
The notes on pages 7 to 9 are an integral part of the financial statements.

The financial statements on pages 5 to 9 were approved by the Board of Directors on 6th October 2003 and were signed on its behalf by :

B.D. Millner
Director



Dr. J. Cater
Director



EDGE HILL MAINTENANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2003

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 value, 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 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 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.

EDGE HILL MAINTENANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2003 £000	2002 £000
Deed of covenant to Edge Hill College of Higher Education	<u>-</u>	<u>54</u>

Under a Deed of Covenant dated 1 August 1997, Edge Hill Maintenance Services 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 £NIL (2002: £53,511).

Edge Hill Maintenance Services Limited made a gross gift aid payment for the period to Edge Hill College of Higher Education of £1,800,000 (2002: £NIL).

Remuneration of the company's auditors for provision of non-audit services was £ (1,046) (2002: £746).

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

	Freehold In Reversion £000
Cost	78
At 1 August 2002	
Additions	<u>-</u>
At 31 July 2003	<u>78</u>
Depreciation	
At 1 August 2002 and 31 July 2003	<u>-</u>
Net Book Value at 31 July 2003	<u>78</u>
Net Book Value at 31 July 2002	<u>78</u>

EDGE HILL MAINTENANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. DEBTORS : Amounts falling due within one year

	2003 £000	2002 £000
VAT	1	-
Income Tax	-	8
Amount due from parent institution	-	165
Amount due from other subsidiaries	-	930
	<u>1</u>	<u>1,103</u>

7. CREDITORS : Amounts falling due within one year

	2003 £000	2002 £000
Amounts due to parent institution	-	144
Amounts due to other subsidiaries	2	109
Accruals and deferred income	1	3
Other Creditors	1	-
	<u>4</u>	<u>256</u>

8. CAPITAL AND RESERVES

The Company is limited by guarantee and does not therefore have a share capital.

Revenue Reserve	£000
At 1 August 2002	1,628
Retained loss for the year	(1,524)
	<u>104</u>
At 31 July 2003	

9. ULTIMATE HOLDING INSTITUTION AND CONTROLLING PARTY

The ultimate holding institution and controlling party is Edge Hill College of Higher Education which is a body registered in the United Kingdom under the Education Reform Act 1988. Copies of the Consolidated accounts of the Edge Hill Group may be obtained by request from the Director of Resources, Edge Hill College of Higher Education, St Helens Road, Ormskirk, L39 4QP.