

Report of the Members and
Financial Statements for the Year Ended 31 July 2015
for
Sussex Estates And Facilities LLP



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for the Year Ended 31 July 2015

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Sussex Estates And Facilities LLP

General Information
for the Year Ended 31 July 2015

DESIGNATED MEMBERS: Interserve (Facilities Management) Limited
Sussex U H Limited

REGISTERED OFFICE: Capital Tower
91 Waterloo Road
London
SE1 8RT

REGISTERED NUMBER: OC388673 (England and Wales)

AUDITORS: KPMG LLP
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

Report of the Members
for the Year Ended 31 July 2015

The members present their report with the financial statements of the LLP for the year ended 31 July 2015.

PRINCIPAL ACTIVITY

The principal activity of the LLP in the year under review was that of providing total facilities management to the University of Sussex and associated companies.

DESIGNATED MEMBERS

The designated members during the period under review were:

Interserve (Facilities Management) Limited (from 22.10.2013)
Sussex U H Limited (from 22.10.2013)

Senior Board Members

A Spencer	- Chairman and representing Sussex UH Limited
K Inglis	- Representing Sussex UH Limited
M Davies	- Representing Sussex UH Limited
S Ashdown	- Representing Interserve (Facilities Management) Limited (resigned 15 September 2014)
S Samuels	- Representing Interserve (Facilities Management) Limited
A Fontana	- Representing Interserve (Facilities Management) Limited (appointed 19 September 2014)

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The profit for the year before members' remuneration and profit shares was £2,641,994 (2014 - £676,302 profit).

Report of the Members
for the Year Ended 31 July 2015

MEMBERS' INTERESTS

Capital

The designated Members have contributed to the LLP the total sum of £100,000 of capital. Sussex U H Limited contributed £65,000 (65%) and Interserve (Facilities Management) Limited £35,000 (35%), which shall represent the limit of the Members' liability less any amount contributed in accordance with the Interim Agreement and the same shall be credited to each Member's Capital Account.

Neither the Members, nor the Senior Management Board, nor the Management Board may call for the Members to contribute any further capital upon the insolvency of the LLP. However, subject to clauses set out in the terms of the LLP agreement, the Members shall contribute such further capital as the Senior Management Board may determine (subject to unanimous approval of the Senior Management Board) as being required for the purposes of the LLP provided always that such further capital contributions shall be made in the same proportions as the capital contributions set out in terms of the LLP agreement and that no Member shall be permitted to make any further capital contribution to the extent that such further capital contribution causes or results in an increase in that Member's interest in the LLP in excess of the proportion of that interest set out in these terms.

Subject to the terms of the LLP, the Members shall share any profits or losses of a capital nature, as certified by the Auditors, in the proportions as their respective interests in the LLP. No Member is entitled to receive interest on the amount of its proportion of the capital contributed to the LLP. Subject to the provisions in the terms of the LLP, unless otherwise decided by a unanimous decision of the Senior Management Board, a Member shall not withdraw or receive back any part of the sum credited to its Capital Account.

Trading Profits and Losses

Subject to the terms of the LLP agreement, the trading profits or losses of the LLP, shall be allocated between the Members in the proportions set out in these terms and shall be credited to each Member's Current Account as soon as the annual accounts for the relevant Financial Year are approved by the Members in accordance with the terms of the LLP. For the avoidance of doubt, profits or losses shall be calculated after deduction of the Management Services Charge and the SubCo Management Services Charge as expenses in the relevant period.

Drawings

Drawings on account of actual or estimated profits (which are available for distribution to Members) may only be made with the prior approval of the Senior Management Board acting by simple majority in accordance with the terms of the LLP, on the last Working Day of each of January, April, July and October. If any Member withdraws from its Current Account funds in excess of its actual profit share (which is available for distribution) in a Financial Year, as determined in accordance with the terms of the LLP, that Member shall repay the excess drawings to the LLP immediately together with interest on the excess at the Interest Rate.

If the LLP has incurred any Service Credits (as defined in the TFM Services Agreement) in the three (3) month period prior to the last Working Day of the relevant quarter, the Supplier shall not be entitled to any drawings of actual or estimated profits relating to any innovation projects implemented by the LLP to assist the University to achieve its strategic objectives; and/or any business opportunities undertaken by the LLP for third parties.

GOING CONCERN

After making enquiries, the members have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Report of the Members
for the Year Ended 31 July 2015

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the Report of the Members and the LLP financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare LLP financial statements for each financial year. Under that law the members have elected to prepare the LLP financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonable open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

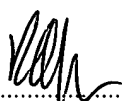
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

AUDITORS

The auditors, KPMG Audit plc, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE MEMBERS:



Richard Allan Spencer - Designated Member

Date: 17 November 2015

Report of the Independent Auditors to the Members of
Sussex Estates And Facilities LLP

We have audited the financial statements of Sussex Estates And Facilities LLP for the year ended 31 July 2015 on pages six to eleven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the Statement of Members' Responsibilities set out on pages three and four, the members 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 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 website at 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 LLP's affairs as at 31 July 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to LLPs 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
- we have not received all the information and explanations we require for our audit.



Chris Wilson (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

Date:

29 November 2015

Profit and Loss Account
for the Year Ended 31 July 2015

		Year Ended 31.7.15 £'000	Period 22.10.13 to 31.7.14 £'000
	Notes		
TURNOVER	2	27,471	16,689
Cost of sales		<u>(24,516)</u>	<u>(14,979)</u>
GROSS PROFIT		2,955	1,710
Administrative expenses		<u>(313)</u>	<u>(1,034)</u>
OPERATING PROFIT and PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	10	<u>2,642</u>	<u>676</u>

CONTINUING OPERATIONS

None of the LLP's activities were acquired or discontinued during the current year or previous period.

TOTAL RECOGNISED GAINS AND LOSSES

The LLP has no recognised gains or losses other than the profits for the current year or previous period.

Balance Sheet

31 July 2015

	Notes	2015 £'000	2014 £'000
CURRENT ASSETS			
Stocks	6	16	-
Debtors	7	4,743	2,219
Cash in hand		<u>2,655</u>	<u>3,107</u>
		7,414	5,326
CREDITORS			
Amounts falling due within one year	8	<u>(4,491)</u>	<u>(4,550)</u>
NET CURRENT ASSETS		<u>2,923</u>	<u>776</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
and			
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>2,923</u>	<u>776</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	9	2,823	676
MEMBERS' OTHER INTERESTS			
Capital accounts	10	<u>100</u>	<u>100</u>
		<u>2,923</u>	<u>776</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	9	2,823	676
Members' other interests	10	<u>100</u>	<u>100</u>
		<u>2,923</u>	<u>776</u>

The financial statements were approved by the members of the LLP on 17 November 2015 and were signed by:



Richard Allan Spencer - Designated member

Notes to the Financial Statements
for the Year Ended 31 July 2015

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships.

Financial reporting standard number 1

Under Financial Reporting Standard 1 the partnership is exempt from the requirements to prepare a cash flow statement on the grounds that its ultimate parent undertaking includes the partnership in its own published consolidated financial statements.

Turnover

Turnover represents sales to customers, excluding value added tax, and arises from the principal activities of the company. Turnover is recognised on completion of the contracted services.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pensions

The LLP operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Going concern

After making enquiries, the members have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Distribution to members

Subject to the terms of the LLP agreement, the trading profits or losses of the LLP, shall be allocated between the Members in the proportions set out in these terms and shall be credited to each Member's Current Account as soon as the annual accounts for the relevant Financial Year are approved by the Members in accordance with the terms of the LLP. For the avoidance of doubt, profits or losses shall be calculated after deduction of the Management Services Charge and the SubCo Management Services Charge as expenses in the relevant period.

Repayment of capital

The designated Members have contributed to the LLP the total sum of £100,000 of capital. Sussex U H Limited contributed £65,000 (65%) and Interserve (Facilities Management) Limited £35,000 (35%), which shall represent the limit of the Members' liability less any amount contributed in accordance with the Interim Agreement and the same shall be credited to each Member's Capital Account.

Neither the Members, nor the Senior Management Board, nor the Management Board may call for the Members to contribute any further capital upon the insolvency of the LLP. However, subject to clauses set out in the terms of the LLP agreement, the Members shall contribute such further capital as the Senior Management Board may determine (subject to unanimous approval of the Senior Management Board) as being required for the purposes of the LLP provided always that such further capital contributions shall be made in the same proportions as the capital contributions set out in terms of the LLP agreement and that no Member shall be permitted to make any further capital contribution to the extent that such further capital contribution causes or results in an increase in that Member's interest in the LLP in excess of the proportion of that interest set out in these terms.

Subject to the terms of the LLP, the Members shall share any profits or losses of a capital nature, as certified by the Auditors, in the proportions as their respective interests in the LLP. No Member is entitled to receive interest on the amount of its proportion of the capital contributed to the LLP. Subject to the provisions in the terms of the LLP, unless otherwise decided by a unanimous decision of the Senior Management Board, a Member shall not withdraw or receive back any part of the sum credited to its Capital Account.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2015

2. **TURNOVER**

The turnover and profit for the financial year before members' remuneration and profit shares are attributable to the one principal activity of the LLP.

An analysis of turnover by class of business is given below:

	Year Ended 31.7.15	Period 22.10.13 to 31.7.14
	£'000	£'000
Project Management	13,609	9,531
Site Services	6,505	4,078
Estates Services	3,893	1,860
General Management	2,778	994
Transport	686	226
	<u>27,471</u>	<u>16,689</u>

3. **EMPLOYEE INFORMATION**

	Year Ended 31.7.15	Period 22.10.13 to 31.7.14
	£'000	£'000
Wages and salaries	4,393	2,092
Social security costs	364	178
Other pension costs	442	229
	<u>5,199</u>	<u>2,499</u>

The average monthly number of employees during the year was as follows:

	Year Ended 31.7.15	Period 22.10.13 to 31.7.14
Staff	218	153
Management	7	5
Administration	3	2
Helpdesk	3	3
	<u>231</u>	<u>163</u>

4. **AUDITORS' REMUNERATION**

Remuneration payable to the company's auditor for the annual audit of the company accounts was £18k (2014: £18k).

Notes to the Financial Statements - continued
for the Year Ended 31 July 2015

5. **INFORMATION IN RELATION TO MEMBERS**

	Year Ended 31.7.15	Period 22.10.13 to 31.7.14
The average number of members during the year was	<u>2</u>	<u>2</u>

6. **STOCKS**

	2015 £'000	2014 £'000
Stocks	<u>16</u>	<u>-</u>

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £'000	2014 £'000
Trade debtors	1,209	288
Prepayments and accrued income	<u>2,788</u>	<u>1,931</u>
	<u>3,997</u>	<u>2,219</u>

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £'000	2014 £'000
Trade creditors	794	367
Social security and other taxes	162	147
Accrued expenses	<u>2,789</u>	<u>4,036</u>
	<u>3,745</u>	<u>4,450</u>

9. **LOANS AND OTHER DEBTS DUE TO MEMBERS**

	2015 £'000	2014 £'000
Amounts owed to members in respect of profits	<u>2,823</u>	<u>676</u>
Falling due within one year	<u>2,823</u>	<u>676</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2015

10. **MEMBERS' INTERESTS**

	Members' other interests			Loans and other debts due to members	
	Members' capital (classified as equity) £'000	Reserves £'000	Total £'000	£'000	Total £'000
Balance at 1 August 2014	100	-	100	676	776
Profit for the financial year available for discretionary division among members	-	2,642	2,642	-	2,642
Members' interests after profit for the year	100	2,642	2,742	676	3,418
Other divisions of profit	-	(2,642)	(2,642)	2,147	(495)
Balance at 31 July 2015	100	-	100	2,823	2,923

11. **RELATED PARTY DISCLOSURES**

For the 12 month period ending 31 July 2015 the following related party transactions took place and were either complete or outstanding:

Interserve (Facilities Management) Limited provided services under the Admin and Management agreement of £351,819 (2014: £172,103). Interserve (Facilities Management) Limited provided services including IT, Vehicles & Training of £189,857 (2014: £43,317). Interserve (Facilities Management) Limited provided mobilisation services of £197,708 (2014: £115,329). Amounts due to Interserve relating the 2015 costs were (£265,445) and relating to 2014 costs (£43,317).

Sussex Estates and Facilities LLP provided services to University of Sussex of £25,916,004 (2014: £16,697,177).

University of Sussex recharged costs of £200,709 (2014: £302,888) to Sussex Estates and Facilities LLP.

Sussex Estates and Facilities LLP had trade debtors of £1,187,953 (2014: £269,287) and income accruals of £1,988,096 (2014: £1,788,671) with University of Sussex at 31 July 2015. Sussex Estates and Facilities LLP had trade creditors of £177,111.91 (2014: £264,108) and cost accruals of £42,966.72 (2014: £79,218) with University of Sussex at 31 July 2015.

Sussex Estates and Facilities LLP had income accruals of £591,266 (2014: nil) with Sussex Innovation Centre and cost accruals for the Management Fee of £14,583 (2014: £nil) with Sussex University Holdings.

12. **ULTIMATE CONTROLLING PARTY**

The company is a subsidiary of the University of Sussex. The largest group in which the results of the company are consolidated is that headed by the University of Sussex. The consolidated accounts of the University are available to the public and may be obtained from the University of Sussex, Sussex House, Falmer, Brighton, BN1 9RH. No other group accounts include the results of the company.