

Registered Number SC155192

UoE Accommodation Limited (formerly UoE Accomodation Limited)

Report and Accounts

For the Year ended 31 July 2014

Contents

	<u>Page</u>
Officers and Professional Advisers	3
Strategic Report	4
Directors' Report	5
Statement of Directors' Responsibilities	6
Corporate Governance Statement	7
Independent Auditors' Report	9
Profit and Loss account	11
Balance Sheet	12
Notes to the Accounts	13

Officers and Professional Advisers

Directors: R Kington
P McNaull

Secretary: D C I Montgomery

Registered Office: Charles Stewart House
University of Edinburgh
9-16 Chambers Street
Edinburgh
EH1 1HT

Bankers: Royal Bank of Scotland
St Andrews Square
Edinburgh
EH2 2YB

Independent
Auditors: PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow
G2 7EQ

Solicitors: Lindsays WS
Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE

Company Number: SC155192

Strategic Report

Principal activities

The main activities of UoE Accommodation Limited (“the Company”) are concerned with non-student lettings for the University of Edinburgh. All taxable profits generated by the company are donated to the University of Edinburgh under the Gift Aid Scheme.

Review of the business

Turnover in the year was £14,852,687 (2013: £13,512,748), an increase of 10% on the prior year.

Future developments

The directors will continue to promote the Company’s objectives and look for appropriate opportunities in the forthcoming year.

Research and development

The Company does not carry out any original research and development activities.

Principal risks and uncertainties

In managing the income from non-student lettings, catering and other related sources, the Board has regard to the wider risk register of the University Accommodation Services Division. This requires the maintenance of a 3-year rolling business plan. Regular financial planning, forecasting and monitoring processes are used to ensure costs are managed in line with income. The University maintains a Business Continuity plan, which can be drawn upon should any unexpected events (such as a public health scare, severe weather or other natural phenomenon) take place. Risks in relation to major injury or death, health and safety, hygiene incident and others are considered in the risk register, and mitigation steps include a two-stage staff induction process to ensure compliance. A comprehensive insurance policy cover includes cover for business interruption. The University Estates’ 10-year plan provides a strategic approach to investment in, and maintenance of, the property and infrastructure utilised by the company. IT systems, network links, communications and web services are maintained by the University Information Services Division together with Accommodation Services Division. Furthermore, disaster recovery plans are maintained and tested at appropriate intervals. These principal risks and uncertainties are considered at regular meetings of the Board.

By order of the Board of Directors

Phil McNaull
Director
8 December 2014

Directors' Report

The directors present their report and the audited accounts of the Company for the year ended 31 July 2014.

Results

The profit on ordinary activities before the gift aid payment to the University amounted to £3,087,478 (2013: £3,265,572), a decrease of 5% on the prior year. The profit for the year after gift aid and taxation amounted to £326,645 (2013: nil). The directors recommended the sum of £326,645 be transferred to reserves.

Change of name of the Company

Effective 17 April 2014, the name of the Company was changed from UoE Accomodation Limited to UoE Accommodation Limited.

Directors

The directors holding office during the year are detailed on page 2.

Mr Kington is the Director of Accommodation Services and Mr McNaull is the Director of Finance of the Company's parent undertaking, the University of Edinburgh.

The directors who held office at the end of the financial year did not have any disclosable interest in the shares of the company. According to the register of directors' interests, no rights to subscribe for shares in, or debentures of, group companies were granted to the directors or their immediate family, or exercised by them during the financial year.

Independent Auditors

PricewaterhouseCoopers LLP were appointed as auditors of the company, following the resignation of KPMG LLP. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

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.

By order of the Board of Directors

Phil McNaull
Director
8 December 2014

Statement of Directors' Responsibilities

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 judgments 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.

Corporate Governance Statement

University of Edinburgh Accommodation Limited is a 100% subsidiary of the University of Edinburgh. The University of Edinburgh adheres to recognised best practice in relation to Corporate Governance. The Company will have regard to the University's policies on all aspects of Corporate Governance.

The Board

The Board meets four times annually and is charged with the overall leadership and control of the company.

At present the Board consists of two directors, Mr R Kington and Mr P McNaull, who hold senior positions within the University of Edinburgh.

All directors bring their independent judgement to bear on issues of strategy, performance, resources, key appointments and standards of conduct. To enable them to do this all directors have full and timely access to all relevant information. Directors also have access to independent professional advice at the company's expense, if and when required.

Appointment to the Board of Directors is subject to the approval of the University Court of The University of Edinburgh.

Remuneration Policy

No director receives any remuneration from the company.

Financial Reporting

The Board accepts responsibility for preparing the financial statements and presenting a balanced and understandable assessment of the company's position. The Board confirms that it is satisfied that the company can continue to operate for the foreseeable future and is financially sound. For this reason they adopt the going concern basis in preparing the financial statements.

Internal Control

The Board accepts responsibility for the company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The University of Edinburgh's Internal Audit function reviews internal controls in key activities of the company and reports their findings to the Board and the University's Audit Committee, recommending improvements to controls and procedures.

The company has prepared a risk register in liaison with the University's Accommodation Services Department. The company now require the main risks pertaining to each particular decision, together with details of the action taken or proposed in order to minimise risk, to be presented to the Board when decisions are taken.

Corporate Governance Statement (continued)

Compliance with Corporate Governance Policies of University of Edinburgh

To the best of its knowledge, the company complies with the Corporate Governance policies of The University of Edinburgh.

Audit Committee

The Company does not have its own Audit Committee but it does come under the jurisdiction of the University of Edinburgh Audit Committee who may receive reports relating to the company from Internal and External auditors.

Independent auditors' report to the members of UoE Accommodation Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- 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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by UoE Accommodation Limited, comprise:

- the balance sheet as at 31 July 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Reports and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Lindsey Paterson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
8 December 2014

Profit and Loss Account

For the year ended 31 July 2014

	notes	2014 £	2013 £
Turnover	2	14,852,687	13,512,748
Operating costs		11,765,209	10,247,176
Profit on ordinary activities before taxation		<u>3,087,478</u>	<u>3,265,572</u>
Payable under the gift aid scheme to the University of Edinburgh	5	<u>2,760,833</u>	<u>3,265,572</u>
Profit/result before taxation		326,645	-
Tax on profit/result on ordinary activities	6	-	-
Profit/result for the financial year		<u>326,645</u>	<u>-</u>

All turnover and profit/result on ordinary activities before taxation are derived from continuing activities.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalents.

TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses other than those included in the Profit and Loss Account.

Balance Sheet

as at 31 July 2014

	Note	2014 £	2013 £
Current Assets			
Stock	7	227,082	196,641
Debtors	8	1,293,905	1,159,405
Cash at bank and in hand		2,952,259	2,712,245
		<hr/>	<hr/>
		4,473,246	4,068,291
Creditors			
Amounts falling due within one year	9	(4,473,244)	(4,394,934)
		<hr/>	<hr/>
Net Assets/(Liabilities)		2	(326,643)
Capital and Reserves			
Called up share capital	10	2	2
Profit and loss account	11	-	(326,645)
		<hr/>	<hr/>
Total Shareholder's funds/(deficit)		2	(326,643)

The financial statements on pages 11 to 16 were approved by the Board of Directors on 8 December 2014 and were signed on its behalf by:

Phil McNaull
Director
8 December 2014

Notes to the accounts for the year ended 31 July 2014

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The accounts have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Cash flow statement

Under Financial Reporting Standard 1 the company is exempt for the requirement to prepare a cash flow statement on the grounds that its parent company the University of Edinburgh includes the company in its own consolidated financial statements.

Fundamental accounting concept

These accounts have been prepared under the going concern concept on the basis that the company's ultimate parent undertaking has confirmed its intention to continue to provide sufficient funds or other financial support to the company to enable it to meet its liabilities as they fall due.

Leases

Rental costs under operating leases are charged to expenditure on a straight-line basis in equal amounts over the periods of the leases.

Stocks

Stocks are stated at the lower of cost or net realisable value.

2. Turnover

All turnover is attributable to the company's principal activity and is derived in the United Kingdom.

3. Profit on ordinary activities before taxation

	2014	2013
This is stated after charging:	£	£
Operating lease rentals: Vehicles & Equipment	70,752	70,649
Audit fee	5,760	5,099
	<u>76,512</u>	<u>75,748</u>

4. Staff costs

UoE Accommodation Limited does not have any employees (2013: nil) and the directors do not receive any remuneration for their services.

Notes to the accounts for the year ended 31 July 2014

5. Payment under the Gift Aid scheme to the University of Edinburgh

The company has an agreement with its parent body, the University of Edinburgh, whereby operating profit generated is donated under the gift aid scheme. For the year to 31 July 2014 the following amount was payable:

	2014	2013
	£	£
University of Edinburgh	<u>2,760,833</u>	<u>3,265,572</u>

6. Taxation

Current taxation

The company pays over the whole of its taxable profit to its parent undertaking, the University of Edinburgh, under the Gift Aid scheme to the extent that this donation can be made from distributable reserves. This arrangement is likely to remain in place for the foreseeable future. The company therefore provides for tax in the year to the extent that taxable profits have exceeded distributable reserves. The tax charge for the year was £nil (2013: £nil).

	2014	2013
	£	£
Analysis of charge in the period.		
UK Corporation tax: Current tax on income for the period	<u>-</u>	<u>-</u>
Current tax reconciliation:		
Profit on ordinary activities before tax	3,087,478	3,265,572
Gift Aid to University of Edinburgh	<u>(2,760,833)</u>	<u>(3,265,572)</u>
Profits before tax	326,645	-
Tax charge at the rate of UK corporation tax of 22.3% (2013: 23.7%)	72,841	-
Expenses not deductible for tax purposes	21,416	-
Group relief accepted	(94,257)	-
Corporation tax for the year at 22.3% (2013: 23.7%)	<u>-</u>	<u>-</u>

Deferred taxation

No provision has been made for deferred taxation on the grounds that the company transfers its profits by Gift Aid to the University of Edinburgh and therefore no deferred tax asset or liability will be realised by the company.

UoE Accommodation Limited (formerly UoE Accomodation Limited)

Notes to the accounts for the year ended 31 July 2014

7. Stock	2014	2013
	£	£
Consumables	227,082	196,641
	<u>227,082</u>	<u>196,641</u>
8. Debtors	2014	2013
	£	£
Trade debtors	934,426	1,049,473
Prepayments and others debtors	359,479	109,932
	<u>1,293,905</u>	<u>1,159,405</u>
9. Creditors : Amounts falling due within one year	2014	2013
	£	£
Amounts due to parent undertaking	2,052,573	1,988,634
Taxation due	-	-
Accruals and other creditors	2,420,671	2,406,300
	<u>4,473,244</u>	<u>4,394,934</u>

Notes to the accounts for the year ended 31 July 2014

10. Called up share capital	Authorised and allotted No.	Allotted, called up and fully paid £
<i>2014</i>		
Ordinary shares of £1 each	2	2
<i>2013</i>		
Ordinary shares of £1 each	2	2

11. Reconciliation of shareholder's funds/(deficit)

	Share capital £	Profit and Loss Account £	Total £
Opening balance as at 1 August 2013	2	(326,645)	(326,643)
Profit/result for the financial year	-	326,645	326,645
Closing balance as at 31 July 2014	<u>2</u>	<u>-</u>	<u>2</u>

12. Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2014 Vehicles & Equipment £	2013 Vehicles & Equipment £
Operating leases which expire:		
Within one year	7,332	11,316
In the second to fifth years inclusive	52,272	39,344
Over five years	13,298	13,298
	<u>72,902</u>	<u>63,958</u>

13. Related party transactions

The directors have taken advantage of the exemption conferred by Financial Reporting Standard 8 relating to subsidiary undertakings. Accordingly no separate disclosure is made of transactions with other University of Edinburgh Group companies.

Notes to the accounts for the year ended 31 July 2014

14. Ultimate parent undertaking

The immediate parent undertaking is The University of Edinburgh.

The University of Edinburgh is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 July 2014. The consolidated financial statements of The University of Edinburgh are available from Old College, South Bridge, Edinburgh EH8 9YL.

Detailed Profit and Loss Account

For the Year Ended 31 July 2014

	Year to 31 July 2014	Year to 31 July 2013
	£	£
Income	<u>14,852,687</u>	<u>13,512,748</u>
Expenditure	£	£
SALARIES & WAGES	5,614,340	4,995,404
AGENCY STAFF	171,414	66,810
AGENT FEES/COMMISSIONS	354,737	260,127
AUDIT	5,760	5,099
BAD DEBT PROVISION	2,716	-4,440
BANK CHGS	51,745	45,968
CLEANING MATS	245,804	200,107
COMPUTING	149,170	138,518
CONF FEES	12,787	14,027
CONSULTANCY	58,687	19,633
DRINK	289,279	316,016
FOOD	1,851,132	1,411,046
FURN&EQUIP	319,856	331,850
INSURANCE	147	495
LAUNDRY	366,898	337,728
LEASING	70,752	70,649
LEGAL & CONSULTANCY	5,036	10,628
OFFICE COSTS	36,918	23,663
OTHER SITE	45,062	61,761
PREMISES	721,792	698,468
PUBLICITY	197,033	166,912
RECHARGEABLE EXPENSES	508,584	415,288
RENTS	245,072	252,625
SUBSCRIPTIONS	30,821	7,404
SUNDRY EXPENSES	(81,211)	(47,071)
TELEPHONE	6,797	11,061
TRAVEL	18,935	21,581
UTILITIES	368,697	341,680
VEHICLE COSTS	96,448	74,139
Total Expenditure	<u>11,765,209</u>	<u>10,247,176</u>
Operating Profit	<u>3,087,478</u>	<u>3,265,572</u>

This page does not form part of the published accounts.