

**SOUTHAMPTON STUDENT HALLS IV LIMITED**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31ST JULY 2006**



# **SOUTHAMPTON STUDENT HALLS IV LIMITED**

## **Annual report and Financial Statements for the year ended 31 July 2006**

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### **Company information**

#### **Director**

Mr M J Ace

#### **Secretary**

Mrs J M Baker

#### **Registered Office**

University of Southampton, Building 37, University Road, Highfield, Southampton SO17 1BJ

**Registered Number** 2794785

#### **Auditors**

Thompson Taraz LLP

5 Frederick Terrace, Frederick Place, Brighton BN1 1LH

**Report of the Directors for the year ended 31 July 2006.**

The Director submits his report together with the audited Financial Statements for the year ended 31 July 2006.

**Results and Dividends**

The profit and loss account of the Company is set out on page 5 and shows the profit for the year. The Director does not recommend payment of a dividend.

**Principal activities, review of business and future developments**

The principal activity of the Company, which was unchanged from the previous year, is the letting of properties on assured tenancies. The Director considers the results for the year to be satisfactory.

**Fixed assets**

Movements on fixed assets are set out in note 6 to the Financial Statements.

**Statement of Director's responsibilities in respect of the Financial Statements**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 year. In preparing those financial statements, the Director is required to:

Select suitable accounting policies and 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 Director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 the director is aware:

- There is no relevant audit information of which the company's auditors are unaware and;

**SOUTHAMPTON STUDENT HALLS IV LIMITED**  
**Report of the Director (continued)**

**Page 2**

- The director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

**Directors**

The Director of the Company during the year and his interest in the ordinary share capital of the Company was:

**Ordinary shares of 50p each**

**31 July 2006 31 July 2005**



Mr M J Ace

**Payment to creditors**

The Company does not follow any specified code or standard on payment practice. However, it is the Company's policy to negotiate terms with its suppliers and to ensure that they are aware of the terms of payment when business is agreed. It is the Company's policy to abide by these terms. Creditor days have not been calculated as the Company has no trade creditors.

**Registered Auditors**

Thompson Taraz LLP, Chartered Accountants, have expressed their willingness to continue in office.

**Small Company Provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

By resolution of the Director



M J Ace  
Director

4 October 2006

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHAMPTON STUDENT HALLS IV LIMITED**

We have audited the company's financial statements for the year ended 31 July 2006, which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

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 whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition, we report to you, if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) 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.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF SOUTHAMPTON STUDENT HALLS IV LIMITED (continued)**

**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Thompson Taraz LLP

4 October 2006

**Thompson Taraz LLP**  
Chartered Accountants & Registered Auditors  
Brighton

**Profit and Loss account  
for the year ended 31 July 2006**

	Notes	Year ending 31 July 2006 £	Year ending 31 July 2005 £
<b>Turnover</b>	1	114,732	111,934
Cost of sales		<u>(59,920)</u>	<u>(59,146)</u>
<b>Gross profit</b>		54,812	52,788
Administrative expenses		<u>(1,322)</u>	<u>(1,322)</u>
<b>Operating profit</b>		53,490	51,466
Interest receivable		19	21
Interest payable and similar charges	3	-	-
Gift aid payment		<u>(52,054)</u>	<u>(49,548)</u>
<b>Profit on ordinary activities before taxation</b>	4	1,455	1,939
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>	11	<u><u>1,455</u></u>	<u><u>1,939</u></u>

All of the activities undertaken by the Company during the year were continuing activities.

**Statement of Recognised Gains and Losses**

There were no recognised gains or losses arising during the year other than the profit for the year of £1,455 (2005: £1,939).

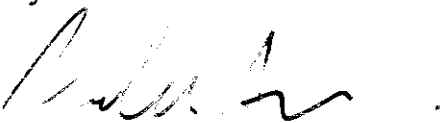
The notes on pages 7 to 11 form part of these Financial Statements

## Balance sheet at 31 July 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	6		2,820,000		2,820,000
<b>Current assets</b>					
Debtors	7	150,191		148,755	
Cash at bank and in hand		<u>1,060</u>		<u>1,041</u>	
		151,251		149,796	
<b>Creditors</b>					
Amounts falling due within one year	8	<u>(7,222)</u>		<u>(7,222)</u>	
<b>Net current assets</b>			<u>144,029</u>		<u>142,574</u>
<b>Total assets less current liabilities</b>			<u>2,964,029</u>		<u>2,962,574</u>
<b>Capital and reserves</b>					
Called up share capital	9		1,500,002		1,500,002
Share premium account	10		1,320,000		1,320,000
Profit and loss account	11		<u>144,027</u>		<u>142,572</u>
<b>Equity Shareholders' Funds</b>	11		<u>2,964,029</u>		<u>2,962,574</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

By resolution of the Director on 4 October 2006



Mr M J Ace  
Director

The notes on pages 7 to 11 form part of these Financial Statements



**Notes forming part of the Financial Statements  
for the year ended 31 July 2006**

**1 Accounting policies**

The Financial Statements have been prepared in accordance with applicable accounting standards, except in the case of long leasehold properties as detailed below.

The principal accounting policies adopted are described below.

**Accounting convention**

The Financial Statements are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

**Cashflow Statement**

As a wholly owned subsidiary undertaking the company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cashflow statement.

**Turnover**

Turnover represents the net amount derived from the provision of services falling within the Company's ordinary activities arising within the United Kingdom.

**Deferred taxation**

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future calculated at the rates at which it is expected that tax will arise.

**Tangible fixed assets and depreciation**

Long leasehold properties are stated in the Financial Statements at original cost, except where, in the opinion of the Director, there has been a permanent diminution in their value when a provision is made for such diminution. No depreciation is provided in respect of long leasehold properties since they are maintained to a high standard and their estimated residual values are not expected to be materially less than the value at which they are included in the balance sheet. This constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their useful economic lives and is necessary to enable the Financial Statements to give a true and fair view.

Notes forming part of the Financial Statements  
for the year ended 31 July 2006

## 2 Employees' and Directors' Remuneration

The only employees of the company were its Directors, the costs of whom were:

	Year ending 31 July 2006 £	Year ending 31 July 2005 £
Amounts paid to third parties (including VAT)	-	-
Emoluments of:		
Chairman	-	-
Highest paid Director	-	-

Mr Ace has not received any remuneration in respect of his services to the Company.

## 3 Interest Payable and Similar Charges

	Year ending 31 July 2006 £	Year ending 31 July 2005 £
Interest on Bank loans and overdraft	-	-

## 4 Profit on Ordinary Activities Before Taxation

	Year ending 31 July 2006 £	Year ending 31 July 2005 £
This is arrived at after charging:		
Auditors' remuneration for audit services	764	764

In addition the present auditors have received £529 in respect of non-audit services (2005:£529)

Notes forming part of the Financial Statements  
for the year ended 31 July 2006

**5 Taxation**

There is no liability to Corporation Tax for the year as the Company's taxable profits for the year have been reduced by capital allowances and gift aid payments.

The total potential liability to deferred tax is £23,299 (2005 : £22,862), of which none has been provided for in these Financial Statements, as any such liability would be extinguished by Gift Aid payments.

**6 Tangible Fixed Assets**

**Long  
Leasehold  
Property  
£**

At 1 August 2005 and 31 July 2006

2,820,000

**7 Debtors**

**2006  
£**

**2005  
£**

Trade debtors

46

46

Amount due from University of Southampton

150,145

148,709

150,191

148,755

**8 Creditors: Amounts falling due within one year**

**2006  
£**

**2005  
£**

Intercompany - Southampton Student Halls III Ltd

5,899

5,899

Intercompany - Southampton Innovations Ltd

30

30

Accruals

1,293

1,293

7,222

7,222

Notes forming part of the Financial Statements  
for the year ended 31 July 2006

**9 Share Capital**

	2006 £	2005 £
Authorised:		
5,999,999 Ordinary Shares of 50p each	2,999,999	2,999,999
1 'A' Ordinary Share of 50p	<u>1</u>	<u>1</u>
	<u>3,000,000</u>	<u>3,000,000</u>
Allotted issued and fully paid		
4,000,002 Ordinary Shares of 50p each	1,500,001	1,500,001
1 'A' Ordinary Share of 50p	<u>1</u>	<u>1</u>
	<u>1,500,002</u>	<u>1,500,002</u>

The 'A' share carries the right to appoint two Directors. In addition the consent of the 'A' shareholder is required for a number of actions as specified in the Articles of Association.

**10 Share Premium Account**

	2006 £	2005 £
At 31 July 2005 and 31 July 2006	<u>1,320,000</u>	<u>1,320,000</u>

**11 Reconciliation of Movements in Shareholders' Funds**

	Share Capital £	Share Premium Account £	Profit & Loss Account £	Total £
Total shareholders' funds at 1 August 2005	1,500,002	1,320,000	142,572	2,962,574
Profit for the financial year	-	-	1,455	1,455
Total shareholders' funds at 31 July 2006	<u>1,500,002</u>	<u>1,320,000</u>	<u>144,027</u>	<u>2,964,029</u>

Notes forming part of the Financial Statements  
for the year ended 31 July 2006

## 12 Commitments and other Obligations

There were no commitments or obligations outstanding at 31 July 2006

## 13 Related Party Transactions

The directors consider the University of Southampton to be the controlling party.

Transactions with the University are as follows:

	2006 £	2005 £
Rents collected by the University	<u>114,732</u>	<u>111,934</u>
Property expenses paid by the University	<u>59,920</u>	<u>59,146</u>
Net amounts due from the University	<u>150,145</u>	<u>148,679</u>

## 14 Ultimate Controlling Party

The company's parent undertaking is the University of Southampton, a body corporate, incorporated by Royal Charter in England, which is the smallest and largest group for which group financial statements are prepared.