

Company Registration No: 3029225

**CVCP PROPERTIES PLC**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2009**

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COMPANIES HOUSE

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## Officers and professional advisers

|                          |  |
|--------------------------|--|
| <b>Directors</b>         | Dr K J R Edwards<br>Professor Drummond Bone<br>Professor Julian Crampton<br>Professor Richard Trainor (to 31 July 2009)<br>Professor Steve Smith (appointed 1 August 2009) |
| <b>Secretary</b>         | Mr C Lambert   |
| <b>Registered office</b> | Woburn House<br>20 Tavistock Square<br>London<br>WC1H 9HQ  |
| <b>Bankers</b>           | National Westminster Bank plc<br>PO Box 83<br>Tavistock House<br>Tavistock Square<br>London<br>WC1H 9XA  |
| <b>Solicitors</b>        | DLA Piper UK LLP<br>India Buildings<br>Water Street<br>Liverpool<br>L2 0NH   |
| <b>Auditors</b>          | Kingston Smith LLP<br>Devonshire House<br>60 Goswell Road<br>London<br>EC1M 7AD  |

## **Directors' report for the year ended 31 July 2009**

The directors present their annual report and the audited financial statements for the year ended 31 July 2009.

### **Activities**

The main objectives of the Company are general trading purposes on behalf of its shareholders, specifically for operating Woburn House, a major office and conference centre in Bloomsbury.

All shareholders are UK universities in membership of Universities UK. Universities UK is also a shareholder.

### **Review of business**

The leasing of the building remains the principal source of income. The majority of the tenants are higher education sector organisations. The principal tenant is Universities UK, which uses the building as its headquarters and as a conference centre.

The Woburn house accommodation was fully let during the year.

Operating profit was £866,946 (2008: £771,980), and taking account of interest receivable of £8,823 (2008: £26,950), £873,343 (2008: £796,438) is payable to Universities UK under deed of covenant.

The directors are satisfied that their main objectives are being achieved.

### **Lease and leaseback scheme**

The establishment of a lease and leaseback arrangement was made in 1997 to assist universities and Higher Education (HE) establishments in connection with the construction of new academic buildings. A management fee accrues to the company as a result of this scheme.

### **Risk**

To minimise the risk of rental voids, CVCP Properties plc markets the building as a hub for the HE sector in London. Success in this approach is marked with current long term tenants including Universities UK, the Association of Commonwealth Universities, the Universities and Colleges Employer Association and GuildHE.

### **Results and dividend**

The directors do not propose a dividend (2008: £nil). The profit before taxation for the year was £2,426 (2008: £2,492). The profit after tax and the payment under deed of covenant to Universities UK has been transferred to the profit and loss account.

### **Fixed assets**

The Company's main asset is Woburn House, originally purchased in 1995 for £3,000,000. EA Shaw (Chartered Surveyors) revalued the building on 24 August 2005, and assessed its value at that date as £10,670,000. The directors do not consider that the value is changed materially since that date.

The Company also owns an investment property in London's Russell Square. This property was purchased in 2000 for £355,000. The valuation of the long leasehold interest in this property at 24 August 2005 was £450,000.

# **Directors' report for the year ended 31 July 2009**

## **Directors and their interests**

The directors as at the approval date are listed on page 1. Directors' benefits in kind are disclosed in Note 3 to the financial statements. None of the directors had a beneficial interest in any contract with the company or any interests in its shares.

## **Auditors**

A resolution to reappoint Kingston Smith LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting.

## **Policy on payment of creditors**

The Company operates two policies in respect of payment of creditors. With regards to lease and leaseback arrangements, payment to universities in respect of rent is made on receipt of payment by the university of rent due to CVCP Properties plc. Payment to other creditors is made within 30 days. At the year-end the number of creditor days was 32 days (2008: 28 days). This is an arithmetical calculation and does not reflect the experience of any one creditor.

## **Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss 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 proper accounting records that 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 are 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.

## Directors' report for the year ended 31 July 2009

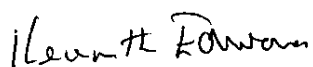
### Audit information

So far as each of the directors in office at the time of the Directors' Report is aware:

- There is no relevant information of which the auditors are unaware; and
- They have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This information is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Approved by the Board of Directors on 30 October 2009 and signed on behalf of the Board:

A handwritten signature in black ink, appearing to read 'K Edwards'.

Director - K EDWARDS

## **Independent auditors' report to the shareholders of CVCP Properties plc**

We have audited the financial statements of CVCP Properties plc for the year ended 31 July 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The 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 Sections 495 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's shareholders those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's shareholders 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' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Directors' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if the company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Directors' Report and consider whether it is consistent with the audited financial 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 International Standards on Auditing (UK and 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 shareholders of CVCP Properties plc

## Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2009, and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report is consistent with the financial statements.

Kingston Smith LLP

James Cross, Senior Statutory Auditor  
For and on behalf of Kingston Smith LLP, Statutory Auditor

Date: 13 November 2009

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Company Number 3029225



## Profit and loss account for the year ended 31 July 2009

|  | Notes | 2009<br>£        | 2008<br>£        |
|--|-------|------------------|------------------|
| <b>TURNOVER</b>                                      | 2     | <b>2,604,624</b> | <b>3,581,016</b> |
| Administrative expenses                              |       | (96,477)         | (92,273)         |
| Other operating expenses                             |       | (1,641,201)      | (2,716,763)      |
| <b>OPERATING PROFIT</b>                              | 3     | <b>866,946</b>   | <b>771,980</b>   |
| Interest receivable                                  |       | 8,823            | 26,950           |
| Payment under deed of covenant                       |       | (873,343)        | (796,438)        |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       | <b>2,426</b>     | <b>2,492</b>     |
| Tax on profit on ordinary activities                 | 5     | —                | —                |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 |       | <b>2,426</b>     | <b>2,492</b>     |
| Retained profit brought forward                      |       | <b>385,435</b>   | <b>382,943</b>   |
| <b>RETAINED PROFIT CARRIED FORWARD</b>               |       | <b>387,861</b>   | <b>385,435</b>   |

All income arises from continuing activities.

There are no recognised gains and losses other than those shown above.

The notes on pages 11 to 15 form part of these financial statements.

## Balance sheet as at 31 July 2009

|   | Notes | 2009<br>£                | 2008<br>£                |
|---|-------|--------------------------|--------------------------|
| <b>FIXED ASSETS</b>                                   |       |                          |                          |
| Tangible assets                                       | 7     | 10,584                   | 12,396                   |
| Investments   | 6     | <u>11,120,000</u>        | <u>11,120,000</u>        |
|   |       | <b>11,130,584</b>        | <b>11,132,396</b>        |
| <b>CURRENT ASSETS</b>                                 |       |                          |                          |
| Debtors   | 8     | 205,312                  | 304,774                  |
| Cash at bank and in hand                              |       | <u>423,107</u>           | <u>372,615</u>           |
|   |       | <b>628,419</b>           | <b>677,389</b>           |
| <b>CREDITORS: amounts falling due within one year</b> | 9     | <b>(1,323,801)</b>       | <b>(1,383,152)</b>       |
| <b>NET CURRENT LIABILITIES</b>                        |       | <b>(695,382)</b>         | <b>(705,763)</b>         |
| <b>CREDITORS: amounts falling due after one year</b>  | 10    | <b>(6,143)</b>           | <b>—</b>                 |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |       | <b><u>10,429,059</u></b> | <b><u>10,426,633</u></b> |
| <b>CAPITAL AND RESERVES</b>                           |       |                          |                          |
| Called up share capital                               | 12    | 4,800,000                | 4,800,000                |
| Revaluation reserve                                   |       | 5,241,198                | 5,241,198                |
| Profit and loss account                               |       | <u>387,861</u>           | <u>385,435</u>           |
| <b>SHAREHOLDERS' FUNDS</b>                            | 11    | <b><u>10,429,059</u></b> | <b><u>10,426,633</u></b> |

The notes on pages 11 to 15 form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 30 October 2009.

Signed on behalf of the Board:

*Kenneth Edwards*

K EDWARDS

Director

## Cash flow statement for the year ended 31 July 2009

|   | Notes | 2009<br>£     | 2008<br>£      |
|---|-------|---------------|----------------|
| Net cash inflow from operating activities       | A     | 847,911       | 783,049        |
| Returns on investments and servicing of finance | B     | (785,134)     | (646,883)      |
| Capital expenditure                             |       | (12,285)      | (2,740)        |
| Taxation paid                                   |       | —             | —              |
| Increase in cash                                |       | <u>50,492</u> | <u>133,426</u> |

## Notes to the cash flow statement for the year ended 31 July 2009

### A. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

|  | 2009<br>£      | 2008<br>£      |
|--|----------------|----------------|
| Operating profit                                 | 866,946        | 771,980        |
| Depreciation charge                              | 14,097         | 12,664         |
| Decrease in debtors                              | 96,980         | 222,092        |
| Decrease in creditors                            | (130,112)      | (223,687)      |
| <b>Net cash inflow from operating activities</b> | <u>847,911</u> | <u>783,049</u> |

### B. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

|  | 2009<br>£        | 2008<br>£        |
|--|------------------|------------------|
| Payment under deed of covenant   | (796,438)        | (674,558)        |
| Interest received  | 11,304           | 27,675           |
| <b>Net cash outflow from returns on investments and servicing of finance</b> | <u>(785,134)</u> | <u>(646,883)</u> |

## Cash flow statement for the year ended 31 July 2009

### C. RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

|                             | 2009<br>£      | 2008<br>£      |
|-----------------------------|----------------|----------------|
| Increase in cash for period | 50,492         | 133,426        |
| Change in net funds         | <u>50,492</u>  | <u>133,426</u> |
| Net funds at 1 August 2008  | 372,615        | 239,189        |
| Net funds at 31 July 2009   | <u>423,107</u> | <u>372,615</u> |

### D. ANALYSIS OF CHANGES IN NET FUNDS

|              | At 1 August<br>2008<br>£ | Cash Flows<br>£ | At 31 July<br>2009<br>£ |
|--------------|--------------------------|-----------------|-------------------------|
| Cash at bank | <u>372,615</u>           | <u>50,492</u>   | <u>423,107</u>          |

# Notes to the financial statements for the year ended 31 July 2009

## 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

### a. Accounting convention

The financial statements are prepared under the historical cost convention, modified for the revaluation of investment properties as described in note 1(d).

### b. Income and expenditure

All income and expenditure is accounted for on an accruals basis.

### c. Tangible fixed assets

Depreciation is calculated on the straight line basis at rates sufficient to write down the assets over their expected useful lives. The rates of depreciation are as follows:

|                          |                  |
|--------------------------|------------------|
| Furniture and equipment: | Over four years  |
| Computer equipment       | Over three years |

Individual assets costing over £2,500 are capitalised.

### d. Operating leases

Rental costs under operating leases are charged to the profit and loss account in equal amounts over the period of the lease.

### e. Investment properties

Investment properties are valued by the directors at open market value and professionally valued on a periodic basis.

No depreciation is provided in respect of investment properties.

The Companies Act would normally require systematic annual depreciation of all fixed assets. However, the directors believe that the policy of not providing depreciation in respect of investment properties is necessary in order for the financial statements to show a true and fair view.

## 2. TURNOVER

The main objectives of the company are general trading purposes on behalf of its shareholders. All activities are carried out in the United Kingdom.

## 3. OPERATING PROFIT

Operating profit is stated after charging / (crediting):

|   | 2009<br>£   | 2008<br>£   |
|---|-------------|-------------|
| Rents payable under operating leases            | 1,384,294   | 2,380,077   |
| Rents receivable in respect of operating leases | (1,405,056) | (2,421,205) |
| Depreciation                                    | 14,907      | 12,664      |
| Auditors remuneration:                          |             |             |
| In respect of the financial statements          | 5,568       | 5,424       |
| In respect of other services                    | 1,450       | 1,410       |
| Directors' benefits in kind:                    |             |             |
| 2007/08 tax year                                | —           | 1,391       |

# Notes to the financial statements for the year ended 31 July 2009

## 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees in either this or the preceding financial year. Income tax and national insurance paid on behalf of one Director who had use of a company flat is shown in note 3. Other directors received no remuneration from the company.

## 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

### Analysis of charge in the year

|  | 2009<br>£ | 2008<br>£ |
|--|-----------|-----------|
| United Kingdom corporation tax and total current tax | <u>—</u>  | <u>—</u>  |

### Factors affecting the tax charge for the period

|  | 2009<br>£    | 2008<br>£    |
|--|--------------|--------------|
| Profit before taxation   | <u>2,426</u> | <u>2,492</u> |
| Taxation on profit at standard United Kingdom rate of tax of 21% (2008: 21%) | <u>(509)</u> | <u>498</u>   |
| Capital allowances in excess of depreciation                                 | <u>509</u>   | <u>(498)</u> |
| Tax charge   | <u>—</u>     | <u>—</u>     |

### Deferred taxation

The company will continue to pay its taxable profits to Universities UK under the gift aid scheme. Consequently, no provision is made for deferred taxation nor does the company have any deferred tax assets.

## 6. FIXED ASSET INVESTMENTS

|                                       | 2009<br>£         | 2008<br>£         |
|---------------------------------------|-------------------|-------------------|
| Investment properties at market value | <u>11,120,000</u> | <u>11,120,000</u> |
| Investment properties at cost         | <u>5,878,802</u>  | <u>5,878,802</u>  |

The directors obtained a professional valuation of Woburn House from E A Shaw (Chartered Surveyors) as at 24 August 2005. In the opinion of the directors this valuation is not materially different from the open market value at the balance sheet date.

# Notes to the financial statements for the year ended 31 July 2009

## 7. TANGIBLE FIXED ASSETS

|                       | Furniture & equipment<br>£ |
|-----------------------|----------------------------|
| <b>Cost</b>           |                            |
| At 1 August 2008      | 261,555                    |
| Additions             | 12,285                     |
| At 31 July 2009       | <u>273,840</u>             |
| <b>Depreciation</b>   |                            |
| At 1 August 2008      | 249,159                    |
| Charge for the year   | 14,097                     |
|                       | <u>263,256</u>             |
| <b>Net book value</b> |                            |
| At 31 July 2009       | <u>10,584</u>              |
| At 31 July 2008       | <u>12,396</u>              |

## 8. DEBTORS

|                                | 2009<br>£      | 2008<br>£      |
|--------------------------------|----------------|----------------|
| Other debtors                  | 14,608         | 1,358          |
| Prepayments and accrued income | <u>190,704</u> | <u>303,416</u> |
|                                | <u>205,312</u> | <u>304,774</u> |

## 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                              | 2009<br>£        | 2008<br>£        |
|------------------------------|------------------|------------------|
| Trade creditors              | 41,621           | 56,464           |
| Taxation and social security | 32,187           | 38,991           |
| Other creditors              | 867,625          | 790,720          |
| Accruals and deferred income | <u>382,368</u>   | <u>496,977</u>   |
|                              | <u>1,323,801</u> | <u>1,383,152</u> |

## 10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                 | 2009<br>£    | 2008<br>£ |
|-----------------|--------------|-----------|
| Other creditors | <u>6,143</u> | <u>—</u>  |
|                 | <u>6,143</u> | <u>—</u>  |

The amount is due between 2 and 5 years.

# Notes to the financial statements for the year ended 31 July 2009

## 11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

|                     | Share<br>Capital<br>£ | Investment<br>Revaluation<br>Reserve<br>£ | Profit &<br>Loss<br>Account<br>£ | Total<br>£        |
|---------------------|-----------------------|---|----------------------------------|-------------------|
| At 1 August 2008    | 4,800,000             | 5,241,198                                 | 385,435                          | 10,426,633        |
| Result for the year | —                     | —   | 2,426                            | 2,426             |
| Revaluation         | —                     | —   | —                                | —                 |
|                     | <u>4,800,000</u>      | <u>5,241,198</u>                          | <u>387,861</u>                   | <u>10,429,059</u> |

Included within the profit and loss account is a sinking fund of £11,173 for repairs and maintenance in accordance with the service charge agreement. This fund is provided towards the cost of the scheduled five-yearly external refurbishment work (last carried out during the year ended 31 July 2008).

## 12. CALLED UP SHARE CAPITAL

|  | 2009<br>£        | 2008<br>£        |
|--|------------------|------------------|
| <b>Authorised:</b>                                     |                  |                  |
| 4,450,000 ordinary shares of £1 each                   | 4,450,000        | 4,450,000        |
| 550,000 6% non-cumulative preference shares of £1 each | 550,000          | 550,000          |
|  | <u>5,000,000</u> | <u>5,000,000</u> |
| <b>Allotted and fully paid:</b>                        |                  |                  |
| 4,250,000 ordinary shares of £1 each                   | 4,250,000        | 4,250,000        |
| 550,000 6% non-cumulative preference shares of £1 each | 550,000          | 550,000          |
|  | <u>4,800,000</u> | <u>4,800,000</u> |

The 6% non-cumulative preference shares of £1 each entitle the holder to receive a preferential dividend at the rate of 6% on the paid-up capital in priority to any transfer or any rights of the holders of ordinary shares (non-cumulative). In all other respects the preference shares rank pari passu with ordinary shares and are defined as equity instruments.

## 13. OPERATING LEASE COMMITMENTS

The company has entered into non-cancellable operating leases with the following annual commitments:

|                              | 2009<br>£    | 2008<br>£ |
|------------------------------|--------------|-----------|
| Expiring within 2 to 5 years | <u>6,027</u> | <u>—</u>  |



## Notes to the financial statements for the year ended 31 July 2009

### 14. CONTROLLING PARTIES

All shareholders are UK universities in membership of Universities UK, and Universities UK itself. The financial statements include transactions with Universities UK as follows:

|   | 2009<br>£      | 2008<br>£      |
|---|----------------|----------------|
| <b>Included in turnover:</b>                        |                |                |
| Rental and service charges                          | <u>634,801</u> | <u>603,889</u> |
| <b>Included in expenditure and other creditors:</b> |                |                |
| Payment under deed of covenant                      | <u>873,343</u> | <u>796,438</u> |