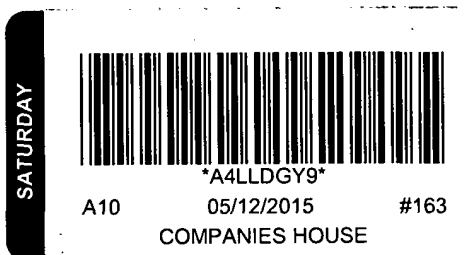


Company Registration No: 03029225

CVCP PROPERTIES PLC
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2015



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Officers and professional advisers

Directors	Professor Sir Drummond Bone Professor Sir Graeme Davies Professor Simon Gaskell Professor Dame Julia Goodfellow DBE Professor Sir Christopher Snowden	Appointed 1 August 2015 Resigned 31 July 2015
Secretary	Mr J Holmes	
Registered office	Woburn House 20 Tavistock Square London WC1H 9HQ	
Bankers	National Westminster Bank plc PO Box 83 Tavistock House Tavistock Square London WC1H 9XA	
Solicitors	Pemberton Greenish LLP 45 Cadogan Gardens London SW3 2AQ	
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	

Strategic report for the year ended 31 July 2015

Review of business

The company owns the freehold of Woburn House. A building in Central London, providing office accommodation and conference space to various tenants.

The leasing of Woburn House remains the principal source of income. All 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, and the investment property, a residential flat in Southampton Row, is let out on a commercial basis.

A project to open up space on the ground floor of Woburn House, to provide additional flexible space for meetings, receptions and exhibitions was completed in January 2014 and has been in use for the full year. A loan received from Universities UK to facilitate the development is disclosed in Note 10.

Operating profit was £908,262 (2014: £836,567), and taking account of interest receivable of £1,275 (2014: £1,243) and interest payable of £13,125 (2014: 13,125), £870,622 (2014: £806,697) is payable to Universities UK under a charitable deed of covenant.

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

Risk Management

CVCP Properties plc has found a market niche by marketing the building as a hub for the Higher Education Sector. Success in this approach is marked with current long term relationships with Universities UK, the Association of Commonwealth Universities, the Universities and Colleges Employers Association and GuildHE. Other risks are kept under review.

Future Plans

The directors do not foresee any material change in the company's activities or results over the coming year.

Approved by the Board of Directors on 16 October 2015 and signed on behalf of the Board:



Professor Simon Gaskell

Director

16th October 2015

Directors' report for the year ended 31 July 2015

The directors present their annual report and the audited financial statements for the year ended 31 July 2015.

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, Central London.

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

Lease and leaseback scheme

A lease and leaseback arrangement was established in 1997 to assist universities and higher education establishments in connection with the construction of new academic buildings. A management fee accrues to the company as a result of this scheme.

Results and dividend

The directors do not propose a dividend (2014: £nil). The profit before taxation for the year was £25,790 (2014: £17,988). 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. CBRE Limited (regulated by RICS) revalued the building on 23 May 2014, and assessed its value at that date as £18,050,000. The directors do not consider that the value has changed materially since that date.

The Company also owns an investment property on London's Southampton Row. This property was purchased in 2000 for £355,000. The valuation by CBRE of the long leasehold interest in this property at 23 May 2014 was £875,000.

Directors and their interests

The directors as at the approval date are listed on page 1. None of the directors had a beneficial interest in any contract with the company or any interests in its shares.

Auditors

Kingston Smith LLP has indicated its willingness to continue as auditor, subject to re-appointment at the next 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 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 42 days (2014: 22 days). This is an arithmetical calculation and does not necessarily reflect the experience of any individual 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.)

Directors' report for the year ended 31 July 2015

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.

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 16 October 2015 and signed on behalf of the Board:



Professor Simon Gaskell

Director

16 October 2015

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 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow statement and the related notes. 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 company's shareholders, as a body, in accordance with Chapter 3 of Part 16 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 auditors' 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 work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out on page 3] 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 directors' report 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company'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.

Opinion on other matters 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.

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 requires us to report to you if, in our opinion:

Independent auditors' report to the shareholders of CVCP Properties plc

- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Kingston Smith LLP

James Cross (Senior Statutory Auditor)

for and on behalf of Kingston Smith LLP, Statutory Auditor

3 November 2015

Devonshire House
60 Goswell Road
London
EC1M 7AD

Profit and loss account for the year ended 31 July 2015

	Notes	2015 £	2014 £
TURNOVER	2	1,995,720	1,968,714
Administrative expenses		(102,679)	(102,449)
Other operating expenses		(984,779)	(1,029,698)
OPERATING PROFIT	3	908,262	836,567
Interest receivable		1,275	1,243
Interest payable		(13,125)	(13,125)
Payment under deed of covenant		(870,622)	(806,697)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		25,790	17,988
Tax on profit on ordinary activities	5	—	—
PROFIT FOR THE FINANCIAL YEAR		25,790	17,988
Retained profit brought forward		433,957	415,969
RETAINED PROFIT CARRIED FORWARD		459,747	433,957

Statement of Total Recognised Gains and Losses

	2015 £	2014 £
PROFIT FOR THE FINANCIAL YEAR	25,790	17,988
Unrealised surplus on revaluation of properties	—	5,848,246
TOTAL RECOGNISED GAINS AND LOSSES RELATED TO THE YEAR	25,790	6,866,234

The notes on pages 11 to 16 form part of these financial statements.

Balance sheet as at 31 July 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	6	53,979	30,678
Investments	7	<u>18,925,000</u>	<u>18,925,000</u>
		18,978,979	18,955,678
CURRENT ASSETS			
Debtors	8	172,794	213,119
Cash at bank and in hand		<u>535,760</u>	<u>410,033</u>
		708,554	623,152
CREDITORS: amounts falling due within one year	9	(1,398,342)	(1,315,429)
NET CURRENT LIABILITIES		(689,788)	(692,277)
TOTAL ASSETS LESS CURRENT LIABILITIES		18,289,191	18,263,401
CREDITORS: amounts falling due after one year	10	(375,000)	(375,000)
TOTAL NET ASSETS		17,914,191	17,888,401
CAPITAL AND RESERVES			
Called up share capital	12	4,800,000	4,800,000
Revaluation reserve		12,654,444	12,654,444
Profit and loss account		<u>459,747</u>	<u>433,957</u>
SHAREHOLDERS' FUNDS	11	17,914,191	17,888,401

The notes on pages 11 to 16 form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 16 October 2015

Signed on behalf of the Board:



Professor Simon Gaskell

Director

16 October 2015

Company number: 03029225

Cash flow statement for the year ended 31 July 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	A	995,310	742,204
Returns on investments and servicing of finance	B	(818,547)	(845,045)
Capital expenditure		(51,036)	(423,158)
Increase/(Decrease) in cash		<u>125,727</u>	<u>(525,999)</u>

Notes to the cash flow statement for the year ended 31 July 2015

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

	2015 £	2014 £
Operating profit	908,262	836,567
Depreciation charge	27,735	16,451
Increase in debtors	40,325	30,977
Increase/(Decrease) in creditors	18,988	(141,791)
Net cash inflow from operating activities	<u>995,310</u>	<u>742,204</u>

B. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2015 £	2014 £
Payment under deed of covenant	(806,697)	(846,288)
Interest received	1,275	1,243
Interest paid	(13,125)	—
Net cash outflow from returns on investments and servicing of finance	<u>(818,547)</u>	<u>(845,045)</u>

Cash flow statement for the year ended 31 July 2015

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

	2015 £	2014 £
Increase/(Decrease) in cash for period	<u>125,727</u>	<u>(525,999)</u>
Change in net funds	<u>125,727</u>	<u>(525,999)</u>
Net funds at 1 August 2014	<u>35,033</u>	<u>561,032</u>
Net funds at 31 July 2015	<u>160,760</u>	<u>35,033</u>

D. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August 2014 £	Cash Flows £	At 31 July 2015 £
Cash at bank	410,033	125,727	535,760
Borrowing	(375,000)	—	(375,000)
Net funds	<u>35,033</u>	<u>125,727</u>	<u>160,760</u>

Notes to the financial statements for the year ended 31 July 2015

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards (UK GAAP). The principal 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(e).

b. Income and expenditure

All income and expenditure is accounted for on an accruals basis. Turnover represents rentals charged and is stated net of value added tax.

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.

Notes to the financial statements for the year ended 31 July 2015

3. OPERATING PROFIT

Operating profit is stated after charging / (crediting):

	2015 £	2014 £
Rents payable under operating leases	649,813	652,827
Rents receivable in respect of operating leases	(659,750)	(659,750)
Depreciation	27,735	16,451
Auditors remuneration:		
In respect of the financial statements	6,380	6,225
In respect of tax compliance	995	970
Other services and prior year	735	715

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees in either this or the preceding financial year. Directors received no remuneration from the company.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2015 £	2014 £
United Kingdom corporation tax and total current tax	—	—

Factors affecting the tax charge for the period

	2015 £	2014 £
Profit before taxation	25,790	17,988
Taxation on profit at standard United Kingdom rate of tax of 20.0%	5,158	3,597
Capital allowances in excess of depreciation	(5,158)	(3,597)
Tax charge	—	—

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.

Notes to the financial statements for the year ended 31 July 2015

6. TANGIBLE FIXED ASSETS

	Furniture & equipment £
Cost	
At 1 August 2014	282,742
Additions	51,036
Disposals	(5,768)
At 31 July 2015	<u>328,010</u>
Depreciation	
At 1 August 2014	252,064
Charge for the year	27,735
Disposals	(5,768)
At 31 July 2015	<u>274,031</u>
Net book value	
At 31 July 2015	<u>53,979</u>
At 31 July 2014	<u>30,678</u>

7. FIXED ASSET INVESTMENTS

	2015 £	2014 £
Investment properties at market value	<u>18,925,000</u>	<u>18,925,000</u>
Investment properties at cost	<u>6,253,768</u>	<u>6,253,768</u>

The directors obtained a professional valuation of Woburn House and Flat 7, Russell Square Mansions from CBRE (Chartered Surveyors) as at 23 May 2014. The market value of Woburn House and Russell Square Mansions was assessed as £18,050,000 and £875,000 respectively. Directors are of the opinion that the values have not changed materially since.

8. DEBTORS

	2015 £	2014 £
Other debtors	1,470	64,015
Prepayments and accrued income	<u>171,324</u>	<u>149,104</u>
	<u>172,794</u>	<u>213,119</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	124,253	84,949
Taxation and social security	36,273	42,028
Other creditors	870,622	806,697
Accruals and deferred income	<u>367,194</u>	<u>381,755</u>
	<u>1,398,342</u>	<u>1,315,429</u>

Notes to the financial statements for the year ended 31 July 2015

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

	2015 £	2014 £
Loans due after more than one year	375,000	375,000
	<u>375,000</u>	<u>375,000</u>

The loan balance is due for repayment after more than five years, but no later than 25 November 2026. The loan is secured by way of a fixed charge over the Woburn House building. Interest is payable on the loan at 3% above National Westminster Bank plc base rate.

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £	Investment Revaluation Reserve £	Profit & Loss Account £	Total £
At 1 August 2014	4,800,000	12,654,444	433,957	17,888,401
Result for the year	—	—	25,790	25,790
At 31 July 2015	<u>4,800,000</u>	<u>12,654,444</u>	<u>459,747</u>	<u>17,914,191</u>

Included within the profit and loss account is a sinking fund of £16,666 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.

12. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Allotted and fully paid:		
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.

Notes to the financial statements for the year ended 31 July 2015

13. OPERATING LEASE COMMITMENTS

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

	2015 £	2014 £
Expiring within 2 to 5 years	<u>—</u>	<u>6,027</u>

14. CAPITAL COMMITMENTS

	2015 £	2014 £
Contracted	<u>158,776</u>	<u>—</u>

15. 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:

	2015 £	2014 £
Included in turnover:		
Rental and service charges	<u>634,466</u>	<u>662,848</u>
Included in debtors:		
Trade debtors	<u>—</u>	<u>43,219</u>
Included in expenditure and other creditors:		
Payment under deed of covenant	<u>870,622</u>	<u>806,697</u>
Included in trade creditors:		
Other recharges	<u>35,010</u>	<u>33,147</u>
Included in accruals:		
Loan interest payable	<u>13,125</u>	<u>13,125</u>
Included in creditors falling due after one year:		
Loans	<u>375,000</u>	<u>375,000</u>
Included in expenditure:		
Other recharges	<u>65,869</u>	<u>63,968</u>
Loan interest payable	<u>13,125</u>	<u>13,125</u>

Notes to the financial statements for the year ended 31 July 2015

16. RELATED PARTIES

Woburn House Conference Centre Limited

	2015 £	2014 £
Included in debtors:		
Trade debtors	<u>—</u>	<u>16,673</u>

Medical Schools Council

	2015 £	2014 £
Included in turnover:		
Rental and service charges	<u>44,625</u>	<u>20,798</u>
Included in expenditure and other creditors:		
Deferred income - rent and service charge	<u>7,176</u>	<u>6,933</u>