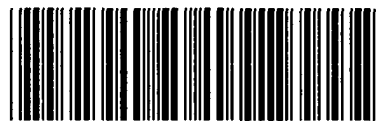


**Imago@Loughborough Limited**

**Annual Report and Financial Statements  
for the year ended 31 July 2019**

**Company Registration No. 02355400**

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# **Imago@Loughborough Limited**

## **Annual report and financial statements for the year ended 31 July 2019**

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# **Imago@Loughborough Limited**

## **Strategic Report**

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### **Principal activity**

The company's principal activities are to market, sell and operate accommodation, catering and conference space located at Loughborough University. These services operate in Burleigh Court and Holywell Park, on the University Campus and at The Link which is off campus and located within Loughborough near to the University site. The directors are not aware at the date of this report, of any likely major changes in the company's activities in the next year.

### **Review of the business, including key performance indicators and future prospects**

A new venue, The Elite Athlete Centre, which is a hotel and nutrition restaurant, commenced trading in November 2018. The income for this venue was very low for the first few months, this along with the additional depreciation for the bedroom refurbishment investment at Burleigh Court has impacted on the company's profits for the year compared with last year. The directors are confident of continuing trading profit in the next year.

The operating profit margin for the year is 5% (2018: 13%).

The proportion of Human Resources costs of turnover is 38% (2018: 35%), this result is consistent with the forecasted staff costs to turnover.

The profit after corporation tax of £248,863 (2018: profit of £1,262,725) has been transferred to reserves.

The company is able to maintain a solid cash position after payment of the Gift Aid to its parent company as a result of stable income levels and effective credit control.

The company (Imago@Loughborough Limited) is a wholly owned subsidiary of Loughborough University.

The company will continue to invest in its services, a phased bedroom refurbishment of Burleigh Court was completed during the year and a refurbishment of the Burleigh court conference area is planned, to be phased over the next two financial years. This investment will allow the company to remain competitively positioned within its market and continue to maintain the existing profit levels in the future.

The balance sheet on page 6, shows the company's financial position at the yearend in both net assets and cash terms. Details of amounts owed to its parent company are shown in note 14.

### **Principal risks and uncertainties**

Competition within the conference and hotel market is a continuing risk for the company, which could result in it losing sales to its key competitors and/or an erosion of rates. The company manages this risk by closely monitoring customer feedback and actively encouraging customers to communicate regarding their visits and by actively researching competitor activity.

Effective staff recruitment is key to the company's successful customer service. As a result of the decision to leave the European Union, the hospitality industry is facing uncertainties in respect of staff recruitment. To mitigate this risk, the company invests in staff training and recruitment processes and the company has been accredited with IIP-Platinum (Investors in People accreditation) during the year. The company also employs a number of apprentices and recognises the importance of internal progression and staff retention.

The company also recognises that in the current economic climate and in light of the government's policy on public expenditure it is vital that trends in forward bookings are monitored and managed.

The company is monitoring food prices and margins closely due to the significant expenditure in this area.

Risks in respect of changing world energy prices are managed by the parent company.

Credit risk is primarily attributable to trade receivables. Policies and procedures exist to ensure that customers have an appropriate credit history. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

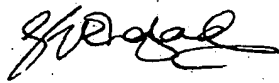
## **Imago@Loughborough Limited**

### **Strategic Report (continued)**

#### **Post Balance Sheet Events**

There were no post balance sheet events recorded in the year.

Approved by the Board of Directors on 19 November 2019  
and signed on its behalf by:



Kay England  
Director  
Loughborough University,  
Loughborough,  
Leicestershire  
LE11 3TU

# **Imago@Loughborough Limited**

## **Directors' Report**

The directors present their annual report and the audited financial statements for the year ended 31 July 2018 for Imago@Loughborough Ltd, registered office: Finance Office, Loughborough University, Loughborough, LE11 3TU

### **Risk management and future developments**

Details of risk management and future developments can be found in the strategic report and form part of this report by cross-reference.

### **Going concern**

The directors believe that the company will continue with its current business. There are no indicators that the company will be unable to meet its obligations as they fall due for a period no less than 12 months from the signing of the company's financial statements. As a result, the directors believe that the entity will continue to be a going concern into the foreseeable future and have adopted the going concern accounting convention.

### **Environment**

Loughborough University recognises the importance of its environmental responsibilities and monitors its impact on the environment and designs and implements policies to reduce the company's impact on the environment. As a subsidiary of Loughborough University, imago@Loughborough Limited operates on similar environmental policies and ensures the safe disposal of waste it recycles and also is committed to energy consumption reductions.

### **Employees**

Details of the number of employees and related costs are to be found in note 6 of the financial statements.

Applications for employment by disabled persons are always considered bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled every effort is made to ensure that their employment with the company continues and the company is committed to training and developing its staff at all levels and on a continuous basis. The company is an experienced member of Investors in People.

The company believes that communication is a vital element in its success and as such regular staff meetings are conducted throughout the year with an annual meeting forming part of the communication chain where the CEO addresses all employees personally in a business presentation which discusses the previous year's activity as well as that planned for the year. All staff are encouraged to bring forward ideas to improve the company and many of these are included in the annual development plan.

### **Dividends**

Payments are made to the parent company by way of Gift Aid. No dividends were proposed in the current year (2018: Nil).

### **DIRECTORS**

The directors of the company during the year and subsequently, were:

Mrs K E England  
Mr R S Taylor  
Mr L J McCarthy  
Ms F M Stone  
Mrs J Tabor

## Imago@Loughborough Limited

### Directors' report (Continued)

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

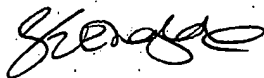
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Approved by the Board of Directors on  
and signed on behalf of the Board

19 November 2019



Kay England  
Director  
Loughborough University,  
Loughborough,  
Leicestershire,  
LE11 3TU

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMAGO@LOUGHBOROUGH LIMITED**

## **Opinion**

We have audited the financial statements of Imago@Loughborough Limited ("the company") for the year ended 31 July 2019 which comprise the Statement of Comprehensive Income, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Trustees and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the charity's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the charity's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;

- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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
- 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.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Dawson (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snow Hill

Snowhill Queensway

Birmingham

B4 6GH

26 November 2019

**Imago@Loughborough Limited****Statement of Comprehensive Income  
Year ended 31 July 2019**

	Note	2019 £	2018 £
Turnover	3	10,537,075	10,196,295
Cost of sales		(1,941,611)	(1,852,897)
Gross profit		8,595,464	8,343,398
Administrative expenses		(8,092,687)	(7,038,298)
Operating profit		507,777	1,305,100
Interest receivable	4	7,420	11,557
Profit before taxation	5	510,197	1,316,657
Profit before taxation		510,197	1,316,657
Taxation on profit	9	(261,334)	(53,932)
Profit on ordinary activities after taxation		248,863	1,262,725
Total comprehensive income attributable to equity shareholders of the company		248,863	1,262,725

All activities derived from continuing operations. The accompanying notes form part of these financial statements.

# Imago@Loughborough Limited

## Balance sheet at 31 July 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	10	33,339	34,737
Tangible assets	11	8,988,413	7,666,769
		<u>9,021,752</u>	<u>7,701,506</u>
<b>Current assets</b>			
Stocks	12	47,703	38,613
Debtors	13	867,052	845,100
Cash at bank and in hand		691,520	1,482,288
		<u>1,606,275</u>	<u>2,366,001</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(3,411,277)</u>	<u>(1,988,126)</u>
<b>Net current liabilities/(assets)</b>		<u>(1,805,002)</u>	<u>377,875</u>
<b>Total assets less current liabilities</b>		<u>7,216,750</u>	<u>8,079,381</u>
Provision for liabilities	15	<u>(323,562)</u>	<u>(62,228)</u>
<b>Net assets</b>		<u>6,893,188</u>	<u>8,017,153</u>
<b>Capital and reserves</b>			
Called up share capital	16	6,000,000	6,000,000
Profit and loss account		893,188	2,017,153
<b>Shareholders' funds</b>		<u>6,893,188</u>	<u>8,017,153</u>

The financial statements of Imago@Loughborough Limited (Company Registration Number: 02355400) were approved by the Board of Directors and authorised for issue on 19 November 2019

Signed on behalf of the Board



Kay E England  
Director

## **Imago@Loughborough Limited**

### **Statement of changes in equity For the year ended 31 July 2019**

	<b>Called-up share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 31 July 2018</b>	6,000,000	2,017,153	8,017,153
<b>Comprehensive income</b>	-	-	-
Profit for the financial year	-	248,863	248,863
Gift aid distribution to parent charity	-	(1,372,828)	(1,372,828)
<b>Total comprehensive expense</b>	-	(1,123,965)	(1,123,965)
<b>At 31 July 2019</b>	<u>6,000,000</u>	<u>893,188</u>	<u>6,893,188</u>

The profits for 2019 will be paid over to the parent charity, Loughborough University, under gift aid by 30 April 2020.

## **Imago@Loughborough Limited**

### **Notes to the financial statements For the year ended 31 July 2019**

#### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

##### ***General information and basis of accounting***

Imago@Loughborough Limited is a company limited by shares, incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is Finance Office, Loughborough University, Loughborough, Leicestershire, LE11 3TU. The nature of the group's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Imago@Loughborough Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Imago @ Loughborough Limited is consolidated into the financial statements of its parent, Loughborough University, which may be obtained at from the address in note 19. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

##### ***Turnover***

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

##### ***Gift aid***

The company has made a gift aid donation to its ultimate parent, Loughborough University.

##### ***Provisions***

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle an obligation; and the amount of the obligation can be estimated reliably.

##### ***Intangible fixed assets***

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

- Software development costs 5 years

## **Imago@Loughborough Limited**

### **Notes to the financial statements (continued) For the year ended 31 July 2019**

#### **1 Accounting policies (continued)**

##### ***Tangible fixed assets***

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

- Motor vehicles 33% of cost
- Computer equipment 20% of cost
- Other equipment and fittings 10% - 20% of cost
- Improvements to short leasehold premises straight line over period of lease
- Plant 20% reducing balance

Assets in the course of construction are not depreciated until they are completed.

##### ***Stocks***

Stocks are valued at the lower of cost and net realisable value.

##### ***Operating leases***

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

##### ***Pension and other post-retirement benefits***

The company operates a defined contribution scheme for its employees. For which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

##### ***Taxation***

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### ***Financial Instruments***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### ***Impairment of assets***

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

## Imago@Loughborough Limited

### Notes to the financial statements (continued)

#### For the year ended 31 July 2019

#### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### *Key sources of estimation uncertainty*

The following are estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### *Recognition of deferred tax liability*

Deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities reflect an estimate of the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

##### *Estimation of useful life of Fixed Assets*

The charge in respect of depreciation and amortisation is derived after determining an estimate of an asset's expected life. The useful lives of the company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience and similar assets as well as anticipation of future events which may impact their life such as changes in technology.

##### *Impairment of Debtors*

The company makes an estimate of the recoverable value of trade debtors and other debtors. When assessing trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience.

#### 3. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, which fall within the company's ordinary activities net of discounts allowed by the company and value added taxes. The turnover and pre-tax loss, all of which arises in the United Kingdom, is attributable to two activities: the management of the company's hotels and conference facilities, turnover of £9,964,434 (2017/18: £9,504,924) and the promotion of other Loughborough University conference facilities and hospitality, turnover of £572,641 (2017/18: £691,371).

Hotel and event income is recognised on the last night of the stay. A manual adjustment is then entered at each period end to accrue for the income earned before period end. Income from bars and restaurants is recognised on the day the cash takings are recorded.

#### 4. Investment income

	2019 £	2018 £
Interest receivable	7,420	11,557

# **Imago@Loughborough Limited**

## **Notes to the financial statements (continued)** **For the year ended 31 July 2019**

### **5. Profit on ordinary activities before gift aid and taxation**

Profit on ordinary activities before gift aid and taxation is stated after charging:

	2019 £	2018 £
<b>Operating profit is stated after charging:</b>		
Depreciation of owned assets	605,474	425,938
Amortisation of intangible assets	11,298	9,648
Fees payable to the company's auditor for the audit of the company's annual financial statements. (There were no non audit fees paid during the year)	8,000	7,500
Operating lease payments		
- land and buildings	745,000	745,000
- equipment and fittings	42,464	33,762
Profit (loss) on disposal of fixed assets	-	(1,396)
	<u>          </u>	<u>          </u>

### **6. Staff numbers and costs**

The average monthly number of employees (excluding casual staff and directors) was:

Average number of persons employed	2019	2018
Management	4	4
Administration	21	20
Production	130	113
	<u>          </u>	<u>          </u>
	155	137
	<u>          </u>	<u>          </u>

### **Staff costs during the year (including directors and casual staff)**

	£	£
Wages and salaries	3,593,587	3,236,637
Social security costs	256,999	211,890
Pension costs (note 18)	156,992	125,856
	<u>          </u>	<u>          </u>
	4,007,578	3,574,383
	<u>          </u>	<u>          </u>

## **Imago@Loughborough Limited**

### **Notes to the financial statements (continued) For the year ended 31 July 2019**

#### **7. Directors' remuneration**

	2019 £	2018 £
<b>Directors' remuneration</b>		
Emoluments	102,441	97,452
Payments made to defined contribution pension scheme	8,830	8,573
	<u>111,271</u>	<u>106,025</u>

One director received remuneration from the company (2018: One). The remaining executive directors are remunerated from Loughborough University, as it is not practical to split out the remuneration between entities. The directors' services to the company do not equate to a significant amount of time.

One director is a member of the defined contribution pension scheme (2018: One).

#### **8. Gift aid donation**

	2019 £	2018 £
Donation in the year	1,372,828	1,278,412
	<u>1,372,828</u>	<u>1,278,412</u>

#### **9. Taxation on (loss)/profit on ordinary activities**

	2019 £	2018 £
<b>Deferred tax</b>		
Timing differences (reversal) (note 15)	261,334	53,067
<b>Current Tax</b>		
Corporation tax	-	865
	<u>261,334</u>	<u>53,932</u>

# Imago@Loughborough Limited

## Notes to the financial statements (continued) For the year ended 31 July 2019

### 9. Taxation on (loss)/profit on ordinary activities (continued)

The actual tax (credit)/charge for the current year and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2019 £	2018 £
Profit (loss) before taxation	583,947	1,316,657
Tax on loss at 19% (2018: 19%)	110,950	22,845
Expenses not deductible for tax purposes	(19,978)	34
Capital allowances less than depreciation	(90,972)	(23,144)
Loss/(profit) on disposal of fixed assets	-	265
Corporation Tax paid during 2018	-	865
Timing (Reversal) differences	261,334	53,067
<b>Total tax (credit)</b>	<b>261,334</b>	<b>(53,932)</b>

### Factors affecting the tax credit

The standard rate of tax applied to the reported profit is 19%.

### 10. Intangible assets

	Software £	Total £
<b>Cost</b>		
At 1 August 2018	48,173	48,173
Additions	9,900	9,900
At 31 July 2019	58,073	58,073
<b>Amortisation</b>		
At 1 August 2018	(13,436)	(13,436)
Charge for the year	(11,298)	(11,298)
At 31 July 2019	(24,734)	(24,734)
<b>Net book value</b>		
At 31 July 2018	34,737	34,737
At 31 July 2019	33,339	33,339

# **Imago@Loughborough Limited**

## **Notes to the financial statements (continued)** **For the year ended 31 July 2019**

### **11. Tangible assets**

	Plant £	Improvements to short leasehold premises £	Motor vehicles £	Computer equipment £	Other equipment and fittings £	Total £
<b>Cost</b>						
At 1 August 2018	838,567	7,544,019	5,826	101,495	5,395,312	13,885,219
Additions	-	-	-	-	1,927,119	1,927,119
Disposals	-	-	-	(2,718)	(994,880)	(997,598)
At 31 July 2019	838,567	7,544,019	5,826	98,777	6,327,551	14,814,740
<b>Accumulated depreciation</b>						
At 1 August 2018	780,029	2,457,730	5,826	97,525	2,877,341	6,218,451
Charge for the year	11,708	160,499	-	2,400	430,867	605,474
Disposals	-	-	-	(2,718)	(994,880)	(997,598)
At 31 July 2019	791,737	2,618,229	5,826	97,207	2,313,328	5,826,327
<b>Net book value</b>						
At 31 July 2018	58,538	5,086,289	-	3,970	2,517,971	7,666,768
At 31 July 2019	46,830	4,925,790	-	1,570	4,014,223	8,988,413

### **12. Stock**

	2019 £	2018 £
Raw material	28,238	20,598
Goods for resale	19,465	18,015
	47,703	38,613

There is no material difference between the balance sheet value of stock and their replacement cost.

# **Imago@Loughborough Limited**

## **Notes to the financial statements (continued)** **For the year ended 31 July 2019**

### **13. Debtors**

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	531,284	411,272
Amounts owed by parent undertaking	77,707	250,426
Amounts owed by fellow subsidiaries	-	-
Other debtors	70,816	44,156
Prepayments and accrued income	187,245	139,246
	<u>867,052</u>	<u>845,100</u>

Amounts owed by parent undertaking for goods and services are due within 14 days of invoice date.

### **14. Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	445,414	537,750
Amounts owed to parent undertaking	2,268,588	629,347
Amounts due to fellow subsidiaries	-	-
Other taxation and social security	407,730	213,625
Other creditors	81,245	156,198
Accruals and deferred income	208,300	451,206
	<u>3,411,277</u>	<u>1,988,126</u>

Amounts owed to parent undertaking for goods and services are due 30 days from invoice date. The amounts owing to the parent undertaking includes a short term loan of £1,600,000 in respect of the Burleigh Court bedroom refurbishment.

### **15. Provision for liabilities**

	Deferred taxation £	Total £
At 1 August 2018	62,228	9,161
Debited to profit and loss account	261,334	53,067
At 31 July 2019	<u>323,562</u>	<u>62,228</u>

# Imago@Loughborough Limited

## Notes to the financial statements (continued) For the year ended 31 July 2019

### Deferred tax

Deferred tax is provided as follows:

	2019 £	2018 £
Accelerated capital allowances	323,562	62,228
<b>Provision for deferred tax</b>	<b>323,562</b>	<b>62,228</b>

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority.

### 16. Called up share capital and reserves

	2019 £	2018 £
<b>Allotted and fully paid</b>		
6,000,000 ordinary shares of £1 each	6,000,000	6,000,000
	<b>6,000,000</b>	<b>6,000,000</b>

The Company has one class of ordinary shares which carry no right to fixed income. The Company's only other reserve is the profit and loss reserve which represents cumulative profits or losses, net of dividends paid and other adjustments.

### 17. Financial commitments

#### (a) Operating lease commitments

The operating leases for Land and Buildings relate to the use of Burleigh Court and The Link Hotel owned by Loughborough University. The company also has operating leases in place for company cars and coffee machines.

At 31 July 2019, the company had total minimum lease payments due under non-cancellable operating leases as follows:

	Land and Buildings 2019 £	Other 2019 £	Land and Buildings 2018 £	Other 2018 £
<b>Leases which expire:</b>				
within one year	745,000	32,955	745,000	33,795
between one and five years	3,725,000	24,931	3,725,000	19,949
after five years	17,556,250	-	18,301,250	-
	<b>22,026,250</b>	<b>57,886</b>	<b>22,771,250</b>	<b>53,744</b>

## **Imago@Loughborough Limited**

### **Notes to the financial statements (continued) For the year ended 31 July 2019**

#### **(b) Capital commitments**

The company had £63,196 of capital commitments authorised and contracted as at July 2019 (2018: £1,572,000).

#### **18. Pension schemes**

The company contributes to a defined contribution pension scheme on behalf of certain employees. Contributions payable by the company to this scheme amounted to £156,992 (2018: £125,856).

#### **19. Related party transactions**

The company has taken advantage of the exemptions conferred by FRS 102 Section 33 not to disclose transactions with other wholly owned group companies, being a 100% owned subsidiary of Loughborough University.

The company is a member of hospitality and conferencing industry associations which rely on representatives from the industry. One of the company's directors is associated with two of these organisations.

	<b>Expenditure</b>	<b>Balance due from the company at 31 July 2019</b>
	<b>£</b>	<b>£</b>
Conference Centre of Excellence Ltd	11,336	1,140
Meeting Industry Association (MIA)	1,990	804

#### **20. Controlling party**

The company is a wholly owned subsidiary of Loughborough University, which is regarded as the ultimate parent organisation and controlling party. The group of which Loughborough University is the parent organisation forms both the largest and smallest group preparing consolidated financial statements which include Imago@Loughborough Limited.

Copies of the consolidated financial statements can be obtained from Loughborough University, Loughborough, Leicestershire, LE11 3TU.