Imago@Loughborough Limited

Annual Report and Financial Statements for the year ended 31 July 2018

Company Registration No. 02355400

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Imago@Loughborough Limited

Annual report and financial statements for the year ended 31 July 2018

Contents

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

The directors are pleased with the results for the year in light of the current economic conditions and are confident of continuing trading profit in the next year.

The operating profit margin for the year is 13% (2017: 9%). This result compares favourably to the budgeted operating profit margin for the year ending July 2017 of 12%.

The proportion of Human Resources costs of turnover is 35% (2017: 35%), this result is consistent with the forecasted staff costs to turnover

The profit after corporation tax of £1,262,725 (2017: profit of £895,145) 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 commenced during the year and will continue into the next financial year. 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. An automated recruitment process has been implemented during the year and the company has been re-accredited with IIP Gold (Investors in People accreditation) with progression working towards IIP Platinum. 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.

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 12.10.18.
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 (2017: Nil).

DIRECTORS

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

Mrs K E England
Mr R S Taylor
Mr J W Murphy (retired 18 January 2018)
Mr L J McCarthy
Ms F M Stone (appointed 18 January 2018)
Mrs J Tabor (appointed 18 January 2018)

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 12.10.18
and signed on behalf of the Board

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

KPMG

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 2018 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 2018 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.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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 4, 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.

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.

M.J.Dawson

Mark Dawson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH

19 October 2018

Imago@Loughborough Limited

Statement of Comprehensive Income
Year ended 31 July 2018

	Note	2018	2017 (As restated)
		£	£
Turnover	3	10,196,295	10,044,196
Cost of sales		(1,852,897)	(1,874,006)
Gross profit		8,343,398	8,170,190
Administrative expenses		(7,038,298)	(7,320,660)
Operating profit		1,305,100	849,530
Interest receivable	4	11,557	6,445
Profit before taxation	5	1,316,657	855,975
Profit before taxation		1,316,657	855,975
Taxation on profit	9	(53,932)	39,170
Profit on ordinary activities after taxation		1,262,725	895,145
Total comprehensive income attributable to equity shareholders of the company		1,262,725	895,145

All activities derived from continuing operations.

Imago@Loughborough Limited

Balance sheet
at 31 July 2018

	Note	2018	2017 (As restated)
		£	£
Fixed assets			
Intangible assets	10	34,737	44,385
Tangible assets	11	7,666,769	6,600,863
		7,701,506	6,645,248
Current assets			
Stocks	12	38,613	39,180
Debtors	13	845,100	742,206
Cash at bank and in hand		1,482,288	2,214,843
		2,366,001	2,996,229
Creditors: amounts falling due within one year	14	(1,988,126)	(1,599,476)
Net current assets		377,875	1,396,753
Total assets less current liabilities		8,079,381	8,042,001
Provision for liabilities	15	(62,228)	(9,161)
Net assets		8,017,153	8,032,840
Capital and reverses			
Called up share capital	16	6,000,000	6,000,000
Profit and loss account		2,017,153	2,032,840
Shareholders' funds		8,017,153	8,032,840

The financial statements of Imago@Loughborough Limited (Company Registration Number: 02355400) were approved by the Board of Directors and authorised for issue on 12.10.18.

Signed on behalf of the Board

Kay E England
Director

Imago@Loughborough Limited

Statement of changes in equity
For the year ended 31 July 2018

	Called-up share capital £	Profit and loss account £	Total £
At 31 July 2016 as previously stated	6,000,000	1,137,695	7,137,695
Changes to FRS102 in December 2017 in respect of gift aid distribution to parent charities (note 20)	-	1,217,325	1,217,325
At 31 July 2016 as restated	6,000,000	2,355,020	8,355,020
Comprehensive income			
Profit for the financial year	-	895,145	895,145
Gift aid distribution to parent charity	-	(1,217,325)	(1,217,325)
Total comprehensive expense	-	(322,180)	(322,180)
At 31 July 2017	6,000,000	2,032,840	8,032,840
Profit for the financial year, being total comprehensive income	-	1,262,725	1,262,725
Gift aid distribution to parent charity	-	(1,278,412)	(1,278,412)
At 31 July 2018	6,000,000	2,017,153	8,017,153

The profits for 2018 will be paid over to the parent charity, Loughborough University, under gift aid by 30 April 2019.

Notes to the financial statements
For the year ended 31 July 2018

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. The company has chosen to adopt the amendments to FRS102 in respect of gift aid payments in advance of the effective date of 1 January 2019.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a results 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

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.

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 £9,504,924 (2016/17: £9,412,527) and the promotion of other Loughborough University conference facilities and hospitality, turnover of £691,371 (2016/17: £634,069).

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

	2018	2017
	£	£
Interest receivable	11,557	6,445

5. Profit on ordinary activities before gift aid and taxation

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

	2018 £	2017 £
Operating profit is stated after charging:		
Depreciation of owned assets	425,938	753,015
Amortisation of intangible assets	9,648	3,788
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)	7,500	7,890
Operating lease payments		
- land and buildings	745,000	745,000
- equipment and fittings	33,762	123,703
Profit (loss) on disposal of fixed assets	(1,396)	12,120

6. Staff numbers and costs

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

Average number of persons employed	2018	2017
Management	4	5
Administration	20	20
Production	113	117
	137	142

Staff costs during the year (including directors and casual staff)	£	£
Wages and salaries	3,236,637	3,124,730
Social security costs	211,890	211,690
Pension costs (note 18)	125,856	124,879
	3,574,383	3,461,299

7. Directors' remuneration

	2018	2017
	£	£
Directors' remuneration		
Emoluments	97,452	96,024
Payments made to defined contribution pension scheme	8,573	8,323
	106,025	104,347

One director received remuneration from the company (2017: 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 (2017: One).

8. Gift aid donation

	2018	2017
	£	£
Donation in the year	1,278,412	1,217,325
Total gift aid	1,278,412	1,217,325

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

	2018	2017
	£	£
Deferred tax		
Timing differences (reversal) (note 15)	53,067	(39,170)
Current Tax		
Corporation tax	865	-
Tax (credit) on loss on ordinary activities	53,932	(39,170)

Corporation tax was paid due to an adjustment made to the Corporation Tax calculations following the payment of the gift aid payment during the year ending 2018.

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:

	2018 £	2017 £
Profit (loss) before taxation	1,316,657	(422,437)
Tax on loss at 19% (2017: 19.67%)	22,845	(83,081)
Expenses not deductible for tax purposes	34	584
Capital allowances less than depreciation	(23,144)	80,028
Loss/(profit) on disposal of fixed assets	265	2,856
Corporation Tax paid during 2018	865	
Timing (Reversal) differences	53,067	(39,557)
Total tax (credit)	53,932	(39,170)

Factors affecting the tax credit

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

10. Intangible assets

	Software £	Total £
Cost		
At 1 August 2017	48,173	48,173
Additions	-	-
At 31 July 2018	48,173	48,173
Amortisation		
At 1 August 2017	(3,788)	(3,788)
Charge for the year	(9,648)	(9,648)
At 31 July 2018	(13,436)	(13,436)
Net book value		
At 31 July 2017	44,385	44,385
At 31 July 2018	34,737	34,737

11. Tangible assets

	Plant	Improvements to short leasehold premises	Motor vehicles	Computer equipment	Other equipment and fittings	Total
	£	£	£	£	£	£
Cost						
At 1 August 2017	838,567	7,544,019	5,826	102,523	4,702,630	13,193,565
Additions	-	-	-	-	1,493,239	1,493,239
Disposals	-	-	-	(1,028)	(800,557)	(801,585)
At 31 July 2018	838,567	7,544,019	5,826	101,495	5,395,312	13,885,219
Accumulated depreciation						
At 1 August 2017	765,394	2,297,207	5,826	96,153	3,428,122	6,592,702
Charge for the year	14,635	160,523	-	2,400	248,380	425,938
Disposals	-	-	-	(1,028)	(799,161)	(800,189)
At 31 July 2018	780,029	2,457,730	5,826	97,525	2,877,341	6,218,451
Net book value						
At 31 July 2017	73,173	5,246,812	-	6,370	1,274,508	6,600,863
At 31 July 2018	58,538	5,086,289	-	3,970	2,517,971	7,666,768

12. Stock

	2018	2017
	£	£
Raw material	20,598	19,131
Goods for resale	18,015	20,049
	38,613	39,180

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

13. Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	411,272	463,475
Amounts owed by parent undertaking	250,426	80,525
Amounts owed by fellow subsidiaries	-	73
Other debtors	44,156	61,424
Prepayments and accrued income	139,246	136,709
	845,100	742,206

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

	2018 £	2017 £
Trade creditors	537,750	610,847
Amounts owed to parent undertaking	629,347	305,873
Amounts due to fellow subsidiaries	-	26,238
Other taxation and social security	213,625	390,823
Other creditors	156,198	99,401
Accruals and deferred income	451,206	166,294
	1,988,126	1,599,476

Amounts owed to parent undertaking for goods and services are due 30 days from invoice date.

15. Provision for liabilities

	Deferred taxation £	Total £
At 1 August 2017	9,161	48,331
Debited to profit and loss account	53,067	(39,170)
At 31 July 2018	62,228	9,161

Deferred tax

Deferred tax is provided as follows:

	2018 £	2017 £
Accelerated capital allowances	62,228	9,161
Provision for deferred tax	62,228	9,161

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

	2018 £	2017 £
Allotted and fully paid		
6,000,000 ordinary shares of £1 each	6,000,000	6,000,000
	6,000,000	6,000,000

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 2018, the company had total minimum lease payments due under non-cancellable operating leases as follows:

	Land and Buildings 2018 £	Other 2018 £	Land and Buildings 2017 £	Other 2017 £
Leases which expire:				
within one year	745,000	33,795	745,000	30,297
between one and five years	3,725,000	19,949	3,725,000	36,861
after five years	18,301,250	-	19,046,250	-
	22,771,250	53,744	23,516,250	67,158

(b) Capital commitments

The company had £,1,572,000 of capital commitments, including £1,539,768 for the bedroom refurbishment, authorised and contracted as at July 2018 (2017: £151,574).

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 £125,856 (2016: £124,879).

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.

	Expenditure £	Balance due from the company at 31 July 2018 £
Conference Centre of Excellence Ltd	22,714	1,350
Meeting Industry Association (MIA)	4,086	-

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.

21. Effects of changes to FRS102 in December 2017

Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council was updated in December 2017 to ensure that there is clarity and consistency in how gift aid payments by subsidiaries are reported. FRS102 now requires the gift aid payment to be accounted for as a distribution to the charity. As a distribution, it should be recognised as a movement in equity rather than expenditure. The principal effective date for the FRS102 amendments is accounting periods beginning on or after 1 January 2019. However early application is permitted for these gift aid changes and these have been adopted in the current financial statements. The following disclosures are required in the year of transition. The last financial statements under the previous FRS102 were for the year ended 31 July 2017 and the date of transition to the updated FRS 102 was therefore 1 August 2016. The adjustments to equity and to the profit for the year to 31 July 2017 are set out below:

Reconciliation of equity

	At 1 August 2016 £	At 31 July 2017 £
Equity reported previously under FRS102	7,137,695	6,754,428
Adjustments to equity on adoption of changes to FRS 102 in December 2017		
Restate gift aid distribution to parent charity	1,217,325	1,278,412
Equity reported under FRS 102 following adoption of changes in December 2017	8,355,020	8,032,840

Reconciliation of profit for year ended 31 July 2017

	£
Profit for the financial year reported previously under FRS102	(383,267)
Gift aid distribution to parent charity	1,278,412
Profit for the financial year following adoption of changes to FRS 102 in December 2017	895,145