

Registered number: OC346266

INTO LONDON MDX STREET LLP
ANNUAL REPORT AND UNAUDITED FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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INTO LONDON MDX STREET LLP

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INTO LONDON MDX STREET LLP

General information

Designated members

Newincco 1183 Limited
Friars 607 Limited

Management board

Mr J B Sykes

Registered office

One Gloucester Place
Brighton
BN1 4AA

INTO LONDON MDX STREET LLP

Strategic report for the year ended 31 July 2023

The managing board of members ('management board') present their strategic report for the Limited Liability Partnership ('LLP') for the year ended 31 July 2023.

Business review

The principal activity of the LLP in the year under review was that of property investments and operations.

Key performance indicators ("KPIs")

The management board monitor progress of the LLP's strategy by reference to the following financial KPIs. Performance during the year, together with the historical trend data is set out in the table below:

KPI	2023	2022	Comment
Increase / (decrease) in turnover (%)	54%	(13%)	Turnover has increased due to fluctuations in the resale of accommodation and teaching space.
Gross profit margin (%)	98%	98%	Direct costs have increased by a negligible amount.

Principal risks and uncertainties

The members consider the following to be principal risks and uncertainties facing the LLP:

- Changes in the UK economic outlook and property market;
- Government policy; and
- Financial performance of tenant organisations.

These risks are monitored on an ongoing basis and actions taken to mitigate these risks when appropriate. The board keep abreast of risk through market awareness, investment in information systems and process improvement, building robust working relationship with partners and developing a strong senior management team.

Future developments

Management continues to monitor the needs and performance of its tenant organisations in order to ensure that its offering continues to be adequate for their purposes.

This report was approved by the Designated Members on 20 February 2024 and signed on its behalf by:



John Sykes
On behalf of the Designated Members

INTO LONDON MDX STREET LLP

Members' report for the year ended 31 July 2023

The managing board of members ('management board') presents its annual report together with the unaudited financial statements of the Limited Liability Partnership ('LLP' or 'the Partnership') for the year ended 31 July 2023.

Legal structure

The LLP is incorporated under the Limited Liability Partnership Act 2000 and is wholly owned by its corporate members, Friars 607 Limited and Newincco 1183 Limited. The members have each appointed representatives to manage the operations of the LLP. The management board has responsibility for overseeing and reviewing the LLP's business and activities.

The representative who served on the management board during the year and up to the date of approval of these financial statements was:

John Sykes

Please refer to the Strategic report on page 2 for the principal activity of the LLP.

Results and distributions

Loss for the financial year amounted to £367,027 (2022: £1,610,346).

There have been no political or charitable contributions during the year (2022: £nil).

Total members' interests show net assets of £1,528,069 (2022: £795,096).

The company is entitled to exemption from audit under Section 479A of the Company Act 2006 relating to subsidiary companies for the year ended 31 July 2023.

The members have not required the LLP to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the LLP will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The LLP's income is dependent on rent from the group and external companies who operate within the local and international education sector. Management have considered the ability and intention of tenant organisations to continue to make use of the LLP's services in the foreseeable future, and obtained assurances from the parent company that adequate support will be provided in the 12 months from the date of signing the financial statements to enable the LLP to meet its liabilities as they fall due.

The members therefore believe the LLP has sufficient funds to meet its liabilities as they fall due and have accordingly prepared the financial statements on a going concern basis.

INTO LONDON MDX STREET LLP

Members' report for the year ended 31 July 2023 (*continued*)

Financial instruments

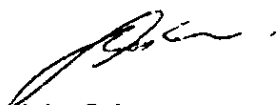
The company does not actively use financial instruments as part of its financial risk management other than standard trade payables and receivables, and loans from related parties. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk.

Policy with respect to member's drawings and the subscription and repayment of member's capital

The members are owned by the same ultimate parent and have contributed £9,651,000 of capital. No member is entitled to receive interest on its capital contribution to the LLP. Members are permitted to make drawings subject to there being a suitable level of available profits and cash.

New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amounts of which is determined by the performance and seniority of those members. On retirement, capital is repaid to members. Members will subscribe new capital in accordance with the business needs and cash flow.

This report was approved by the management board on 20 February 2024 and signed on its behalf by:



John Sykes

On behalf of the Designated Members

INTO LONDON MDX STREET LLP

Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

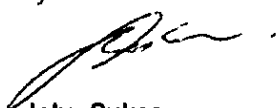
The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK'. The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the LLP's transactions and the financial position of the LLP and enable them to ensure that the financial statements comply with the 2008 Regulations and the Companies Act 2006 applied to Limited Liability Partnerships. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

This statement was approved by the management board on 20 February 2024 and signed on its behalf by:



John Sykes

On behalf of the Designated Members

INTO LONDON MDX STREET LLP

Statement of comprehensive income for the year ended 31 July 2023

	Note	2023 £	2022 £
Turnover		4,771,662	3,091,498
Cost of sales		(76,911)	(60,210)
Gross profit		4,694,751	3,031,288
Administrative expenses		(4,669,549)	(4,482,484)
Other operating income	3	-	5,566
Operating profit / (loss)	1	25,202	(1,445,630)
Interest payable and similar charges	4	(393,788)	(165,280)
Interest receivable and similar income	5	1,559	564
Loss for the financial year		(367,027)	(1,610,346)
Members' remuneration charged as an expense		-	-
Loss for the year available for discretionary division among members		(367,027)	(1,610,346)

All amounts relate to continuing operations.

There is no material difference between the loss for the financial year before members' remuneration and profit shares available for discretionary division among members stated above and their historical cost equivalents.

The notes on pages 12 to 15 form part of these financial statements.

INTO LONDON MDX STREET LLP

Balance sheet

as at 31 July 2023

Registered number: OC346266

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	6	1,110,421	1,141,142
Current assets			
Stock		1,741	1,741
Debtors	7	1,534,645	493,397
Cash at bank and in hand		50,349	15,523
		<u>1,586,735</u>	<u>510,661</u>
Creditors: amounts falling due within one year	8	<u>(621,524)</u>	<u>(325,567)</u>
Net current assets		<u>965,211</u>	<u>185,094</u>
Total assets less current liabilities		<u>2,075,632</u>	<u>1,326,236</u>
Provisions	9	<u>(547,563)</u>	<u>(531,140)</u>
Net assets attributable to members		<u>1,528,069</u>	<u>795,096</u>
Represented by:			
Loans and other debts due to members within one year:			
Members' capital classified as a liability		9,651,000	9,651,000
Other amounts due to members		7,500,000	6,400,000
		<u>17,151,000</u>	<u>16,051,000</u>
Members' other interests:			
Other reserves		(15,622,931)	(15,255,904)
Total members' interests		<u>1,528,069</u>	<u>795,096</u>

For the year ending 31 July 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question.

The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 6 to 15 were approved by the Members on 20 February 2024 and signed on their behalf by:



John Sykes

On behalf of the Designated Members

The notes on pages 12 to 15 form part of these financial statements

INTO LONDON MDX STREET LLP

Statement of members' interests as at 31 July 2023

	<u>DEBT</u>			<u>EQUITY</u>	
	Members' capital classified as a liability	Loans and other debts due to members	Total debt due to members	Other reserves	Total members' interests
	£	£	£	£	£
At 31 July 2021	9,651,000	5,600,000	15,251,000	(13,645,558)	1,605,442
Loss for the year available for discretionary division among members	-	-	-	(1,610,346)	(1,610,346)
Members' interests after loss for the year	9,651,000	5,600,000	15,251,000	(15,255,904)	(4,904)
Loan Additions	-	800,000	800,000	-	800,000
At 31 July 2022	9,651,000	6,400,000	16,051,000	(15,255,904)	795,096
Loss for the year available for discretionary division among members	-	-	-	(367,027)	(367,027)
Members' interests after loss for the year	9,651,000	6,400,000	16,051,000	(15,622,931)	428,069
Loan additions	-	1,100,000	1,100,000	-	1,100,000
At 31 July 2023	9,651,000	7,500,000	17,151,000	(15,622,931)	1,528,069

Interest is payable on loans to members at a rate of 2% plus the Bank of England base rate. As at the year end, the loan was due for repayment in 2055. However subsequent to the year end the debt was formally waived by the members.

INTO LONDON MDX STREET LLP

Principal accounting policies

Basis of preparation

The following accounting policies have been applied consistently in both the current and preceding years in dealing with items which are considered material in relation to the LLP's financial statements. These financial statements are prepared on the historical cost basis in accordance with applicable United Kingdom accounting standards, including The Financial Reporting Standard ('FRS 102') and the Companies Act 2006 as applied by LLPs.

The financial statements are presented in Pounds Sterling (£) because that is the currency of the primary economic environment in which the LLP operates.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the LLP will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The LLP's income is dependent on rent from the group and external companies who operate within the local and international education sector. Management have considered the ability and intention of tenant organisations to continue to make use of the LLP's services in the foreseeable future, and obtained assurances from the parent company that adequate support will be provided in the 12 months from the date of signing the financial statements to enable the LLP to meet its liabilities as they fall due.

The members therefore believe the LLP has sufficient funds to meet its liabilities as they fall due and have accordingly prepared the financial statements on a going concern basis.

Cash flow statement

The members have adopted the disclosure exemption within FRS 102 relating to the requirement to present a statement of cash flows and related notes on the grounds that the LLP qualifies as a small entity.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to administrative expenses in the statement of comprehensive income. Depreciation is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	over the term of the lease
Furniture, fixtures and fittings	-	20% straight line
Office equipment	-	20% straight line
Computer equipment	-	14.3% - 33.3% straight line

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, net of discounts allowed by the company and value added taxes.

Revenue is rental income receivable and is recognised in the period which it relates.

INTO LONDON MDX STREET LLP

Principal accounting policies (continued)

Pension scheme

Members of staff are eligible to join the Group INTO Pension Plan and Stakeholder Scheme which is a defined contribution scheme. Defined contribution pension schemes are pension schemes under which the LLP pays fixed contributions into a separate entity. The LLP has no legal or constructive obligations to pay further contributions if the pension scheme does not hold sufficient assets to pay all benefits relating to employee service in the current and prior periods.

Contributions made by the LLP are accordingly recognised in the Statement of Comprehensive Income when they become payable.

Operating leases

Rentals under operating leases are included in operating expenses in the statement of comprehensive income on a straight line basis over the term of the lease.

Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are divided such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the profit and loss account and are equity appropriations in the Balance sheet.

All amounts due to members that are classified as liabilities are presented in the Balance sheet within 'Loans and other debts due to members' and are charged to the Profit and loss account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance sheet within 'Members' other interests'.

Loans to members would rank after all other unsecured creditors in the event of a winding up.

Distribution of profits and losses

Any profits and losses will be distributed between the members in accordance with the Limited Liability Partnership agreement which states that 'the profits of the LLP shall be divided between the members in equal proportions and credited or debited to the member's current accounts with the LLP as soon as the annual financial statements for the relevant accounting year of the LLP are approved by the members', or as otherwise agreed in writing between the members.

Taxation

Income and capital gains (or losses) accruing to the trade of INTO London MDX Street LLP will be attributed to the relevant members for tax purposes according to their entitlement to income and capital under the terms of the Limited Liability Partnership Agreement.

Taxes to be paid on the profits arising in the LLP are a personal tax liability of the members of the LLP and therefore are not included as a tax charge or provision within these financial statements.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

INTO LONDON MDX STREET LLP

Principal accounting policies (continued)

Critical accounting judgements and estimates

In the application of the LLP's accounting policies the members are required to make judgements, estimates and assumptions about the carrying amount 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 and / or future period as applicable.

The following are the critical judgements and estimates that have the most significant effect on the amounts recognised in the financial statements.

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 6 for the carrying amount and the section above on tangibles fixed assets and depreciation for the useful economic lives for each class of assets.

Dilapidations

Provisions for dilapidations represent management's best estimate of liabilities in respect of dilapidations clauses likely to arise on expiry of certain of the LLP's property leases. These amounts are included within provisions for liabilities and charges and are discounted at an appropriate rate.

INTO LONDON MDX STREET LLP

Notes to the financial statements for the year ended 31 July 2023

1 Operating loss

The operating loss is stated after charging:

	2023	2022
	£	£
Depreciation of tangible assets	214,632	197,976
Operating lease charges – land and buildings	2,787,494	2,361,629

2 Staff costs

	2023	2022
	£	£
Staff costs comprise:		
Wages and salaries	254,544	302,018
Social security costs	15,225	29,420
Other pension costs	18,762	22,178
	288,531	353,616

The pension cost charge in the year amounting to £18,762 (2022: £22,178) represents contributions payable by the LLP into the Group INTO Pension Plan and Stakeholder Scheme. At the year end, there were £2,265 (2022: £2,109) of contributions outstanding.

The average monthly number of employees during the year was as follows:

	2023	2022
	Number	Number
Administration	9	11

3 Other operating income

	2023	2022
	£	£
Government grants	-	5,566

Other income relates to amounts in respect of the government's Coronavirus Job Support Scheme and is recognised as the amounts become due.

INTO LONDON MDX STREET LLP

Notes to the financial statements for the year ended 31 July 2023 (*continued*)

4 Interest payable and similar charges

	2023	2022
	£	£
Interest payable on loans to group undertakings	<u>393,788</u>	<u>165,280</u>

Interest is payable on loans to members at a rate of 2% plus the Bank of England base rate. As at the year end, the loan was due for repayment in 2055. However subsequent to the year end the debt was formally waived by the members.

5 Interest receivable and similar income

	2023	2022
	£	£
Bank interest	<u>1,559</u>	<u>564</u>

6 Tangible assets

	Leasehold improvements	Furniture, fixtures & fittings	Office equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2022	1,813,724	178,447	8,104	196,936	2,197,211
Additions	78,255	57,094	570	47,992	183,911
Disposals	-	(61,086)	(1,995)	(66,273)	(129,354)
At 31 July 2023	<u>1,891,979</u>	<u>174,455</u>	<u>6,679</u>	<u>178,655</u>	<u>2,251,768</u>
Accumulated depreciation					
At 1 August 2022	836,504	112,095	5,180	102,290	1,056,069
Charge for the year	138,628	31,565	1,402	43,037	214,632
Disposals	-	(61,086)	(1,995)	(66,273)	(129,354)
At 31 July 2023	<u>975,132</u>	<u>82,574</u>	<u>4,587</u>	<u>79,054</u>	<u>1,141,347</u>
Net book value					
At 31 July 2023	<u>916,847</u>	<u>91,881</u>	<u>2,092</u>	<u>99,601</u>	<u>1,110,421</u>
At 31 July 2022	<u>977,220</u>	<u>66,352</u>	<u>2,924</u>	<u>94,646</u>	<u>1,141,142</u>

INTO LONDON MDX STREET LLP

Notes to the financial statements for the year ended 31 July 2023 (*continued*)

7 Debtors

	2023	2022
	£	£
Due within one year:		
Amounts owed by group undertakings	562,093	21,376
Amounts owed by related undertakings	-	27,990
Other debtors	172,901	58,412
Prepayments and accrued income	799,651	385,619
	1,534,645	493,397

Amounts due from related undertakings comprises £nil (2022: £27,990) due from INTO City LLP. These amounts are unsecured, repayable on demand and interest free.

8 Creditors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade creditors	283,509	42,420
Amounts owed to group undertakings	9,660	115,496
Amounts owed to related undertakings	29,927	-
Taxation and social security	8,458	10,165
Other creditors	29	562
Accruals and deferred income	289,941	156,924
	621,524	325,567

Amounts owed to related undertakings comprises £29,927 (2022: £nil) due to INTO City LLP. These amounts are unsecured, repayable on demand and interest free.

9 Provisions

	Dilapidations provision
	£
At 1 August 2022	531,140
Charged	16,423
At 31 July 2023	547,563

The provision for liabilities as at 31 July 2023 and 31 July 2022 relates to a dilapidations provision in respect of leases to which the LLP is a party.

INTO LONDON MDX STREET LLP

Notes to the financial statements for the year ended 31 July 2023 (*continued*)

10 Financial commitments

The LLP has a minimum aggregate of future payments under non-cancellable operating leases of land and buildings expiring:

	2023 £	2022 £
Less than one year	1,783,423	1,572,263
Between one and five years	7,133,692	6,291,208
After five years	2,377,897	3,672,206
	11,295,012	11,535,677

The LLP also has a minimum aggregate of future income under non-cancellable operating leases of land and buildings being sublet, expiring as follows:

	2023 £	2022 £
Less than one year	638,402	638,402
Between one and five years	2,746,750	2,694,075
After five years	921,436	1,612,513
	4,306,588	4,944,991

11 Ultimate controlling party and related party transactions

The LLP is jointly controlled by Friars 607 Limited and Newincco 1183 Limited, both of which are incorporated in the United Kingdom. Friars 607 Limited and Newincco 1183 Limited are both controlled by INTO University Partnerships Limited, and ultimate controlled by Espalier Ventures Limited, a company incorporated in United Kingdom, and controlled by Andrew Colin. Copies of the financial statements of these entities can be obtained from One Gloucester Place, Brighton, BN1 4AA.

The company has taken advantage of the exemptions available under Financial Reporting Standard 102, not to disclose any transactions or balances with entities that are wholly owned by INTO University Partnerships Limited.

During the year the LLP entered into the following transactions with related parties, and had the following balances at the year end:

Related party name	Relationship to the LLP	2023 £			2022 £		
		Sales	Purchases	Debtors/ (creditors)	Sales	Purchases	Debtors/ (creditors)
INTO City LLP	Fellow group member	2,138,467	1,780	(29,927)	1,971,482	-	27,990