

Registered number: SO301861

INTO SCOTLAND LLP

MEMBERS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

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INTO SCOTLAND LLP

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INTO SCOTLAND LLP

General information

Designated members

GCU INTO Limited
Newincco 821 Limited

Management board

Professor P Gillies
Mr G Jack
Mr G Milne
Mr A Colin
A Preece
Mrs E Mahmoud

Registered office

Glasgow Caledonian University
The Britannia Building City Campus
Cowcaddens Road
Glasgow
Strathclyde
G4 0BA

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

INTO SCOTLAND LLP

Strategic report for the year ended 31 July 2015

The members present their annual report of the Limited Liability Partnership ('LLP') for the year ended 31 July 2015.

Business review

The principal activity of the LLP in the year under review was that of the provision of academic and language courses, primarily to international students, through the operation of an International Student Centre on the campus of Glasgow Caledonian University.

Student recruitment has been slightly down on the prior year, especially in September 2014 intake, however did recover slightly in the January 2015 intake, it is also the first full year of operation of the IELTS Test Centre.

Key performance indicators ("KPIs")

The management board monitor progress on the LLP 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:

	2015	2014	
Increase in turnover (%)	13%	6%	Period on period revenue growth expressed as a percentage and is due to the success of new IELTS Test Centre and some prior year revenue recognised in the year.
Gross profit margin (%)	55%	54%	The ratio of gross profit to expressed as a percentage, and has increased despite reduced student volumes, due to the additional revenue being recognised in the year relating to prior years.
Average student numbers	158	176	The monthly average number of students undertaking courses in the period under review.

Principal risks and uncertainties

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

- Competitor activity within the UK and Overseas;
- Economic downturn in key regions;
- Changes to government regulations, including legislation in respect of employee matters, immigration law, environmental matters, health and safety and accessibility;
- Natural disasters, acts of terrorism and consequent impact on the LLP's activities; and
- Increase in the UK cost of living and exchange rate

Future Developments

The members will continue to focus on Governments, Institutional Links and Sponsorship to capitalise on steady stream of students from those regions and disciplines where recruitment needs to expand.

This report was approved by the Designated Members on 4 April 2016.



J Sykes
On behalf of the Designated Members

INTO SCOTLAND LLP

Members' report for the year ended 31 July 2015

The members present their annual report together with the audit financial statements of the Limited Liability Partnership ('LLP') for the year ended 31 July 2015.

Legal structure

The LLP is incorporated under the Limited Liability Partnership Act 2000 and is wholly owned by its corporate members, Newincco 821 Limited and GCU INTO 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 representatives who served on the management board during the year and up to the date of approval of these financial statements were:

Professor P Gillies	(on behalf of GCU INTO Limited)
Mr G Jack	(on behalf of GCU INTO Limited)
Mr G Milne	(on behalf of GCU INTO Limited)
Mr A Colin	(on behalf of Newincco 821 Limited)
Mr A Preece	(on behalf of Newincco 821 Limited)
Mrs E Mahmoud	(on behalf of Newincco 821 Limited)

Results and distributions

The profit for the year available for distribution amongst members amounted to £11,391 (2014: £248,639).

Financial Instruments

The LLP does not actively use financial instruments as part of its financial risk management. 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 or liquidity risk.

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

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 Designated Members on 4 April 2016.



J Sykes
On behalf of the Designated Members

INTO SCOTLAND LLP

Statement of members' responsibilities in respect of the Financial Statements

The members are responsible for preparing the Members Report and the Financial Statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships the members 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to:

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This Statement was approved by the Designated Members on 4 April 2016.



J Sykes
On behalf of the Designated Members

INTO SCOTLAND LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTO SCOTLAND LLP

Report on the Financial Statements

Our opinion

In our opinion INTO Scotland LLP's financial statements ("the financial statements"):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 July 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

What we have audited

The financial statements, included within the Members' Report and Financial Statements, comprise:

- the Balance sheet as at 31 July 2015;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion, the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships regime. We have no exceptions to report arising from this responsibility.

INTO SCOTLAND LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTO SCOTLAND LLP (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of members' responsibilities set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the designated members; and
- The overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Members' Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Simon O'Brien (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

4 April 2016

INTO SCOTLAND LLP

Profit and loss account for the year ended 31 July 2015

	Note	31 July 2015 £	31 July 2014 £
Turnover		3,501,593	3,106,130
Cost of sales		(1,566,507)	(1,423,268)
Gross profit		1,935,086	1,682,862
Administrative expenses		(1,918,694)	(1,429,223)
Operating profit	2	16,392	253,639
Interest payable to members	4	(5,000)	(5,000)
Profit for the financial year before members' remuneration and profit shares available for discretionary division amongst members	8	11,392	248,639

All amounts relate to continuing operations.

The LLP has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented

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

The notes on pages 9 to 14 form part of these financial statements.

INTO SCOTLAND LLP

Balance sheet

as at 31 July 2015

Registered number: SO301861

	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	5		267,902		190,986
Current assets					
Debtors	6	1,096,614		1,845,522	
Cash at bank and in hand		752,402		303,334	
		1,849,016		2,148,856	
Creditors: amounts falling due within one year	7	(2,394,990)		(2,629,306)	
Net current liabilities			(545,974)		(480,450)
Total assets less current liabilities			(278,072)		(289,464)
Net liabilities attributable to members			(278,072)		(289,464)
Represented by:					
Loans and other debts due to members	8		200,000		200,000
Members' other interests					
Members capital	9		300,907		300,907
Other reserves	9		(778,979)		(790,371)
Total members interests			(278,072)		(289,464)

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to small LLPs and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the Designated Members on 4 April 2016.



J Sykes

On behalf of the Designated Members

The notes on pages 9 to 14 form part of these financial statements.

INTO SCOTLAND LLP

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

1 Principal accounting policies

1.1 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 going concern basis, under the historical cost accounting convention and in accordance with the special provisions of Part 15 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to small LLPs and with the Financial Reporting Standard for Smaller Entities (effective April 2008). The principal accounting policies are set out below.

1.2 Going concern

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

The LLP currently relies upon funding from its members. The managing board of members have received confirmation from Glasgow Caledonian University and INTO University Partnerships Limited that they will continue to support the activities of the LLP for a period of at least 12 months from the date of approval of these financial statements.

In addition, the managing board of members have produced cash flow forecasts which indicate that the partnership can continue as a going concern. The members have informally agreed to not take any loan repayments from the partnership until the partnership is financially able to do so.

No adjustments have been made to these financial statements in the event of the LLP not being a going concern.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. 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:

Office Equipment	-	20% straight line
Computer hardware	-	25% straight line
Computer software	-	15% straight line
Fixtures and Fittings	-	20% straight line

1.4 Turnover

Turnover comprises the fair value of consideration received or receivable for the provision of services in the United Kingdom from the LLP's principal activity. Turnover is shown net of value added taxation.

Income is recognised in the academic year in which the students are studying. Amounts invoiced in advance of the academic year are deferred to subsequent accounting periods and are included within 'creditors due in less than one year'.

Tuition

Tuition fees represent all fees chargeable to students or their sponsors attributable to the current accounting period, net of any discounts. The cost of any fees waived are deducted from tuition fee income.

Accommodation

Accommodation fees are spread over the period of occupancy to which they relate.

INTO SCOTLAND LLP

Notes to the financial statements for the year ended 31 July 2015 (continued)

1 Principal accounting policies (continued)

1.5 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 profit and loss account when they become payable.

1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

1.7 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 last in relation to other unsecured creditors in the event of a winding up.

1.8 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 financial statements for the relevant accounting year of the LLP are approved by the members'.

1.9 Taxation

Income and capital gains (or losses) accruing to the trade of INTO Scotland 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.

INTO SCOTLAND LLP

Notes to the financial statements for the year ended 31 July 2015 (continued)

2 Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the LLP	65,271	52,007
Operating lease charges – land and buildings	14,300	88,167
Auditors' remuneration		
- audit of the LLP's financial statements	14,000	30,450

3 Staff costs

Staff costs comprise:	2015 £	2014 £
Wages and salaries	758,777	649,617
Social security costs	65,158	46,811
Other pension costs	21,220	12,230
	845,155	708,658

The pension cost charge in the year amounting to £21,220 (2014: £12,230) represents contributions payable by the LLP into the Group INTO Pension Plan and Stakeholder Scheme. At the year end, contributions amounting to £3,566 (2014: £3,732) were outstanding.

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

	2015 Number	2014 Number
Teaching staff	23	21
Administration	26	14
	49	35

During the year, there were 2 (2014: 2) corporate members of the LLP.

4 Interest payable to members

	2015 £	2014 £
Interest payable to members	5,000	5,000

INTO SCOTLAND LLP

Notes to the financial statements for the year ended 31 July 2015 (continued)

5 Tangible assets

	Office equipment	Fixtures and fittings	Computer equipment	Total
Cost				
At 1 August 2014	-	-	494,764	494,764
Additions	-	15,116	127,071	142,187
Reclassification	1,717	3,560	(5,277)	-
At 31 July 2015	1,717	18,676	616,558	636,951
Depreciation				
At 1 August 2014	-	-	303,778	303,778
Charge for the year	343	141	64,787	65,271
Reclassification	1,335	3,560	(4,895)	-
At 31 July 2015	1,678	3,701	363,670	369,049
Net book value				
At 31 July 2015	39	14,975	252,888	267,902
At 31 July 2014	-	-	190,986	190,986

6 Debtors

Due within one year:	2015 £	2014 £
Trade debtors	918,272	1,359,857
Amounts owed by group undertakings	70,339	315,532
Other debtors	8,813	408
Prepayments and accrued income	99,190	169,725
	1,096,614	1,845,522

Amounts owed by group undertakings includes £70,339 (2014: £315,532) due from Glasgow Caledonian University, and are interest free, unsecured and repayable on demand.

INTO SCOTLAND LLP

Notes to the financial statements for the year ended 31 July 2015 (continued)

7 Creditors

	2015	2014
	£	£
Amounts falling due within one year:		
Trade creditors	133,605	48,294
Amounts owed to group undertakings	674,190	439,741
Taxation and Social security	17,890	19,894
Other creditors	312,006	320,844
Accruals and deferred income	1,257,299	1,800,533
	2,394,990	2,629,306

Amounts owed to group undertakings includes £670,083 (2014: £439,283) due to INTO University Partnerships Limited and £4,107 due to INTO London World Education Centre Limited. All amounts are interest free, unsecured and repayable on demand.

8 Loans and other debts due to members:

	2015	2014
	£	£
Amounts owed to group undertakings	200,000	200,000
	200,000	200,000

Amounts owed to group undertakings are due to members and include £100,000 (2014: £100,000) due to Newincco 821 Limited and £100,000 (2014: £100,000) due to GCU INTO Limited. The members have agreed to not take any loan repayments from the partnership until the partnership is financially able to do so and not in the next 12 months. All amounts accrue interest at 2.5% per annum and are unsecured.

9 Members' interests

	Loans and other debts due to members	Members' capital (classified as equity)	Other reserves	Total members' other interests
	£	£	£	£
At 1 August July 2014	200,000	300,907	(790,371)	(289,464)
Profit for the financial year available for division among members	-	-	11,392	11,392
As at 31 July 2015	200,000	300,907	(778,979)	(278,072)

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

INTO SCOTLAND LLP

Notes to the financial statements for the year ended 31 July 2015 (continued)

10 Ultimate controlling party and related party transactions

The LLP is jointly controlled by Newincco 821 Limited and GCU INTO Limited, both of which are incorporated in the United Kingdom. Newincco 821 Limited is controlled by INTO University Partnerships Limited and ultimately controlled by Andrew Colin. GCU INTO Limited is ultimately controlled by the Glasgow Caledonian University.

During the year INTO Scotland LLP was charged £919,181 (2014: £1,151,317) for operating costs in the normal course of business by INTO University Partnerships Limited and in turn charged costs of £nil (2014: £752) to INTO University Partnerships Limited.

During the year INTO Scotland LLP was charged £87,126 (2014: £176,256) for operating costs in the normal course of business by Glasgow Caledonian University and in turn charged costs of £77,075 (2014: £271,611) to Glasgow Caledonian University.

Additional information regarding amounts due to and from related undertakings are provided in notes 6, 7 and 8.