

Registered number: SO301861

INTO SCOTLAND LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

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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
Mr J Lindley (retired from the board)
A Preece (appointed to the board)
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

Members' report for the year ended 31 July 2014

The managing board of members ('management board') present their annual report together with the audited financial statements of the Limited Liability Partnership ('LLP') for the year ended 31 July 2014.

Principal activities

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.

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 J Lindley	(on behalf of Newincco 821 Limited) (retired from the board)
Mr A Preece	(on behalf of Newincco 821 Limited) (appointed to the board)
Mrs E Mahmoud	(on behalf of Newincco 821 Limited)

Results and distributions

The profit for the year available for distribution amongst members amounted to £248,639 (2013: £54,900). **248,639**

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 management board on 24 April 2015 and signed on its behalf.



A Colin
On behalf of the members

INTO SCOTLAND 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 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.

INTO SCOTLAND LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTO SCOTLAND LLP

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 July 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by INTO Scotland LLP, comprise:

- the balance sheet as at 31 July 2014;
- the profit and loss account for the year then ended;
- 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.

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.

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

INTO SCOTLAND LLP

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

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.

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 3, 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.



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

Date: 24 April 2015

INTO SCOTLAND LLP

Profit and loss account for the year ended 31 July 2014

	Note	31 July 2014 £	31 July 2013 £
Turnover	1	3,106,130	2,924,403
Cost of sales		(1,423,268)	(1,536,364)
Gross profit		1,682,862	1,388,039
Administrative expenses		(1,429,223)	(1,328,138)
Operating profit	2	253,639	59,901
Interest payable and similar charges	4	(5,000)	(5,001)
Profit for the financial year before members' remuneration and profit shares available for discretionary division amongst members	8	248,639	54,900

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 on ordinary activities before taxation and the profit / (loss) for the financial years stated above and their historical costs equivalents.

The notes on pages 8 to 13 form part of these financial statements.

INTO SCOTLAND LLP

Balance sheet

as at 31 July 2014

Registered number: SO301861

	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	5		190,986		169,916
Current assets					
Debtors	6	1,845,522		1,500,908	
Cash at bank and in hand		303,334		464,303	
		<u>2,148,856</u>		<u>1,965,211</u>	
Creditors: amounts falling due within one year	7	<u>(2,629,306)</u>		<u>(2,673,229)</u>	
Net current liabilities			<u>(480,450)</u>		<u>(708,018)</u>
Total assets less current liabilities			<u>(289,464)</u>		<u>(538,102)</u>
Net liabilities attributable to members			<u>(289,464)</u>		<u>(538,102)</u>
Represented by:					
Loans and other debts due to members	8		200,000		200,000
Members' other interests					
Members capital	8		300,907		300,907
Other reserves	8		<u>(790,371)</u>		<u>(1,039,009)</u>
			<u>(289,464)</u>		<u>(538,102)</u>

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 Members and were signed on its behalf on 24 April 2015.


A Colin
On behalf of the Members

The notes on pages 8 to 13 form part of these financial statements.

INTO SCOTLAND LLP

Notes to the financial statements for the year ended 31 July 2014

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:

Computer hardware	-	25% straight line
Computer software	-	15% 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 2014 (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 2014 (continued)

2 Operating profit / (loss)

The operating profit / (loss) is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the LLP	52,007	50,565
Operating lease charges – land and buildings	88,167	31,000
Auditors' remuneration		
- audit of the LLP's financial statements	30,450	23,714

3 Staff costs

Staff costs comprise:

	2014	2013
	£	£
Wages and salaries	649,617	649,975
Social security costs	46,811	58,780
Other pension costs	12,230	12,205
	708,658	720,960

The pension cost charge in the year amounting to £12,230 (2013: £12,205) represents contributions payable by the LLP into the Group INTO Pension Plan and Stakeholder Scheme. At the year end, contributions amounting to £3,732 (2013: £1,778) were outstanding.

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

	2014	2013
	Number	Number
Teaching staff	21	22
Administration	14	21
	34	43

During the year, there were 2 (2013: 2) corporate members of the LLP.

4 Interest payable and similar charges

	2014	2013
	£	£
Bank interest payable	5,000	5,001

INTO SCOTLAND LLP

Notes to the financial statements for the year ended 31 July 2014 (continued)

5 Tangible assets

	Computer equipment £
Cost	
At 1 August 2013	421,687
Additions	73,077
At 31 July 2014	494,764
Depreciation	
At 1 August 2013	251,771
Charge for the year	52,007
At 31 July 2014	303,778
Net book value	
At 31 July 2014	190,986
At 31 July 2013	169,916

6 Debtors

Due within one year:	2014 £	2013 £
Trade debtors	1,359,857	1,273,776
Amounts due from related undertakings	315,532	-
Other debtors	408	1,702
Prepayments and accrued income	169,725	225,440
	1,845,522	1,500,908

INTO SCOTLAND LLP

Notes to the financial statements for the year ended 31 July 2014 (continued)

7 Creditors

	2014	2013
	£	£
Amounts falling due within one year:		
Trade creditors	48,294	22,418
Amounts owed to related undertakings	439,741	745,344
Social security and other taxes	19,894	17,390
Other creditors	320,844	84,035
Accruals and deferred income	1,800,533	1,804,042
	2,629,306	2,673,229

Amounts owed to related undertakings includes £439,283 (2013: £612,196) due to INTO University Partnerships Limited.

8 Members' interests

	Loans and other debts due to members £	Members' capital (classified as equity) £	Other reserves £	Total members' other interests £
At 31 July 2013	200,000	300,907	(1,039,009)	(538,102)
Profit for the financial year available for division amongst members	-	-	248,639	248,639
As at 31 July 2014	200,000	300,907	(790,371)	(289,464)

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