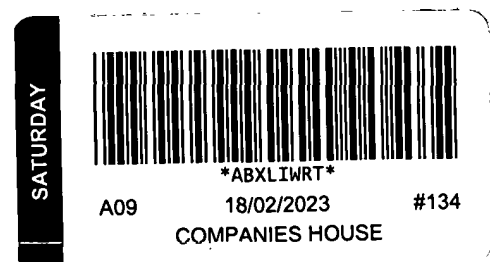


Loughborough University Nursery Limited

**Annual Report and Financial Statements
for the year ended 31 July 2022**

Company Registration No. 12085139



Loughborough University Nursery Limited

Annual report and financial statements for the year ended 31 July 2022

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Loughborough University Nursery Limited

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 July 2022 for Loughborough University Ltd, registered office: Finance Office, Loughborough University, Loughborough, LE11 3TU

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

The directors are responsible for preparing the Annual 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Directors

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

M T Chester

S Graydon

V Wardle

A M MacKinlay (resigned 03/09/21)

A E Lamb (appointed 07/10/21)

E Teszenyi (appointed 07/10/21)

Loughborough University Nursery Limited

Directors' report (Continued)

This report was approved by the Board of Directors on 16th November 2022
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'Spencer Graydon', followed by a long, horizontal, wavy line that extends to the right.

Spencer Graydon
Director
Loughborough University
Loughborough
LE11 3TU

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOUGHBOROUGH UNIVERSITY NURSERY LIMITED

Opinion

We have audited the financial statements of Loughborough University Nursery Limited ("the company") for the year ended 31 July 2022, which comprise the Statement of income and retained earnings, Balance sheet 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and the Group audit committee, as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular

the risk that underlying revenue transactions do not exist and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those containing a cash impact posted to unusual accounts and those containing a revenue impact posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards).

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: compliance with Employment and Social Security legislation, Health and Safety Legislation and regulatory oversight by Ofsted due to the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 1, 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.



Mark Dawson

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

24 November 2022

Loughborough University Nursery Limited

Statement of Income and Retained Earnings for the Year ended 31 July 2022

		2022 £	2021 £
Turnover	1	1,043,954	869,897
Cost of sales		(750,403)	(739,077)
Gross profit		293,551	130,820
Administrative expenses		(280,487)	(160,407)
Operating (loss)/profit before taxation		13,064	(29,587)
Taxation on (loss)/profit	3	(2,278)	2,386
Profit/(Loss) after taxation		10,786	(27,201)
Retained earnings at the beginning of the Period		(2,018)	72,072
Profit (Loss) for the period		10,786	(27,201)
Gift Aid paid to Parent company		-	(46,889)
Retained earnings at the end of the Period		8,768	(2,018)

The note on page 8 to 12 form part of these financial statements

Loughborough University Nursery Limited

Balance sheet at 31 July 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	20,153	20,121
		<u>20,153</u>	<u>20,121</u>
Current assets			
Debtors : Amounts falling due within one year	5	30,555	13,204
Cash at bank and in hand		175,766	111,938
		<u>206,321</u>	<u>125,142</u>
Creditors: amounts falling due within one year	6	(217,705)	(147,280)
Net current liabilities		<u>(11,384)</u>	<u>(22,138)</u>
Total assets less current liabilities		<u>8,769</u>	<u>(2,017)</u>
Net Assets/(Liabilities)		<u>8,769</u>	<u>(2,017)</u>
Capital and reverses			
Called up share capital		1	1
Profit and loss account		8,768	(2,018)
Shareholders' funds		<u>8,769</u>	<u>(2,017)</u>

The accompanying notes form part of these financial statements.

The financial statements of Loughborough University Nursery Limited (Company Registration Number: 12085139) were approved by the Board of Directors and authorised for issue on 16 November 2022

Signed on behalf of the Board


Spencer Graydon
Director

Loughborough University Nursery Limited

Notes to the financial statements For the year ended 31 July 2022

1. Accounting policies

Basis of preparation of financial statements

Loughborough University Nursery LTD (the "company") is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Loughborough University as at 31 July 2022 and these financial statements may be obtained from Ashby Road, Loughborough, Leicestershire, LE11 3NT.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, the company will have sufficient funds to continue to meet its liabilities as they fall due.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts and rebates. Revenue is predominantly made up of Nursery provision through the Loughborough University's campus facilities and is recognised at the point at which the services are performed.

Loughborough University Nursery Limited

1. Accounting Policies (continued)

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	10 - 20%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Employees

The average monthly number of employees, excluding directors, during the period was 32.

Loughborough University Nursery Limited

Notes to the financial statements (continued) for the year ended 31 July 2022

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

	2022 £	2021 £
Current Tax		
Corporation tax	2,278	(2,386)
Tax (credit) on profit (loss) on ordinary activities	<u>2,278</u>	<u>(2,386)</u>

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:

	2022 £	2021 £
Profit (loss) before taxation	<u>13,065</u>	<u>(29,587)</u>
Tax on profit/(loss) at 19% (2021: 19%)	2,482	(5,622)
Capital allowances more/(less) than depreciation	(204)	(1,673)
Carry back relief on trading loss to prior year	-	4,909
Adjustment in respect of prior year;		
Tax on profit at 19%	-	13,818
Gift Aid relief	-	(8,909)
Relief due to trading loss in current year	-	(4,909)
Total tax (credit)	<u>2,278</u>	<u>(2,386)</u>

Factors affecting the tax credit

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

Loughborough University Nursery Limited

Notes to the financial statements (continued) for the year ended 31 July 2022

4. Tangible assets

	Fixtures & fittings £
Cost	
At 1st August 2021	22,560
Additions	3,462
At 31 July 2022	26,022
Accumulated depreciation	
At 1 August 2021	2,439
Charge for the year	3,430
At 31 July 2022	5,869
Net book value	
At 1 August 2021	20,121
At 31 July 2022	20,153

5. Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	110	9,152
Amounts owed by ultimate parent	29,256	-
Prepayments and accrued income	1,081	1,666
Corporation tax	107	2,386
Called up share capital not paid	1	-
	<u>30,555</u>	<u>13,204</u>

6. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	10,536	5,996
Amounts owed to parent undertaking	10,656	11,794
Amounts owed to ultimate parent	131,825	80,929
Other creditors	45,127	18,277
Accruals and deferred income	19,561	30,284
Corporation tax	-	-
	<u>217,705</u>	<u>147,280</u>

Loughborough University Nursery Limited

Notes to the financial statements (continued) for the year ended 31 July 2022

7. 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.

8. Controlling party

The company is a wholly owned subsidiary of Imago @ Loughborough Ltd, which is wholly owned subsidiary of Loughborough University, which is regarded as the ultimate parent organisation and controlling party.

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