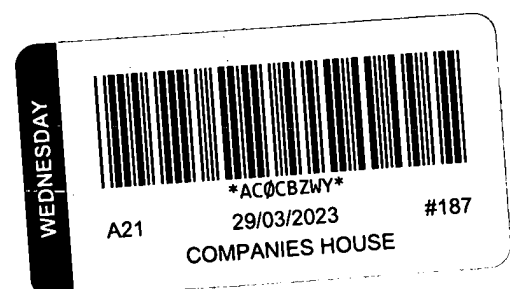


**Registered number: SO304698**

**INTO STIRLING LLP**

**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 JULY 2022**



# INTO STIRLING LLP

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# INTO STIRLING LLP

## General information

### Designated members

IUP 2 LLP  
UOS Education Limited

### Management committee

John Gardner  
Tuukka Hinttula  
Errim Mahmoud  
Eileen Schofield  
John Skyes

### Registered office

University of Stirling  
Stirling  
Scotland  
FK9 4LA

### Independent auditor

Grant Thornton UK LLP  
2<sup>nd</sup> Floor  
St John's House  
Haslett Avenue West  
Crawley  
RH10 1HS

# INTO STIRLING LLP

## Strategic report for the year ended 31 July 2022

The managing board of members ('management board') present their strategic report of the Limited Liability Partnership ('LLP') for the year ended 31 July 2022.

### 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 international student centre at the University of Stirling, Scotland. The management committee do not envisage any change in the principal activity during the forthcoming year.

In common with many business, the LLP was impacted by the temporary reduction in student mobility brought about by Covid-19. However, the year under review witnessed a recovery in student volumes as a result of the loosening of restrictions across the world. The LLP implemented cash protection and cost saving measures during the pandemic to ensure that it mitigated the impact of this disruption, and management believe the LLP to be in a strong position to take advantage of the continuing recovery in student mobility in the coming year.

### 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	2022	2021	Comment
Increase / (decrease) in turnover (%)	37%	(36%)	The increase in revenues were seen due to more students being taught and in accommodation in 2022 than 2021.
Gross profit margin (%)	32%	28%	The margin improved since 2021 with increasing efficiencies due to teaching larger numbers of students with revenues increasing more than costs.
Average student numbers	143	129	The average number of students undertaking courses in 2022 increased since 2021, with an increase in students on academic pathways.

### Principal risks and uncertainties

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

- The Covid-19 pandemic and its impact on student mobility
- Competitor activity within the UK and overseas;
- Economic downturn in key regions;
- War, civil disturbance and epidemics in key recruiting regions;
- Government policy, particularly around immigration and visa restrictions; and
- Increase in the UK cost of living and exchange rate.

These risks are monitored by the management board on an ongoing basis and actions taken to mitigate these risks when appropriate. New initiatives are constantly being developed to attract and retain high quality students. The board constantly reviews competitor activity. The board also keep abreast of risk through market awareness, investment in information systems and process improvement, building robust working relationships with partners and developing a strong senior management team.

Of these risks, the Covid-19 pandemic has significantly impacted the international education sector and caused uncertainty over the ability of the LLP to recruit students over the course of the last two years. Mitigation actions taken in respect of this has been discussed above.

The Members' conclusions in relation to going concern are set out in the Members' report.

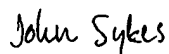
# INTO STIRLING LLP

## Strategic report for the year ended 31 July 2022 (*continued*)

### Future developments

- Management believes that demand from international students for high quality experience is still strong, and that the LLP is in a strong financial and operational positions to enable it to meet that demand.
- The portfolio of courses is regularly reviewed and developed to attract students to a wide range of disciplines at different levels. With the increase in competition from other providers, there is more focus on drawing on the particular strengths of our Joint Venture status: the expansion of International Year One Pathways and Integrated Degrees are the focus of future programme development.
- Student success in terms of progression to Higher Education is the key to further expansion of the operation and improving measures to enhance support for learning will be crucial to achieving this.

This report was approved by the Designated Members on 17/3/2023 and signed on its behalf by:



**John Sykes**

On behalf of the Designated Members

# INTO STIRLING LLP

## Members' report for the year ended 31 July 2022

The managing board of members ('management board') presents its annual report together with the audited financial statements of the Limited Liability Partnership ('LLP' or 'the Partnership') for the year ended 31 July 2022.

### Legal structure

The LLP is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000 and is wholly owned by its corporate members, IUP 2 LLP and UOS Education 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 committee during the year and up to the date of approval of these financial statements were:

B White	(on behalf of IUP 2 LLP)	(resigned 31 May 2022)
T Hinttula	(on behalf of IUP 2 LLP)	(appointed 1 June 2022)
E Mahmoud	(on behalf of IUP 2 LLP)	
L Slattery	(on behalf of IUP 2 LLP)	(resigned 30 November 2021)
J Skyes	(on behalf of IUP 2 LLP)	(appointed 1 December 2021)
E Schofield	(on behalf of UOS Education Limited)	
J Gardner	(on behalf of UOS Education Limited)	
L McCabe	(on behalf of UOS Education Limited)	(resigned 31 October 2022)

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

### Results and distributions

The loss for the year was £1,004,281 (2021: restated £1,464,228).

Total members' interests shows a deficit of £4,672,744 (2021: restated £4,099,774).

### 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.

After considering the cash flow projections for the twelve months from the date these financial statements were issued for approval, the members 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.

In preparing this analysis the members have considered the LLP's ability to meet its liabilities based on various levels of reductions in student numbers, as well as a number of cost mitigation strategies that can be employed.

Post year end £3.8m of the University of Stirling trading debt was converted into a loan with a total facility of £4 million. The LLP has a matching facility of £4 million with IUP2 LLP. In addition, there are two facilities of £1 million with both members. The total available facilities at the date these accounts were approved was therefore £10 million, of which £8.6 million had been drawn down. The total undrawn facilities at the date the accounts were approved was therefore £1.4 million and this has also been considered as part of the going concern assessment.

Based on these circumstances, the members believe that it remains appropriate to prepare the financial statements on the going concern basis.

# INTO STIRLING LLP

## Members' report for the year ended 31 July 2022 (*continued*)

### Financial instruments

The LLP 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.

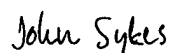
The LLP accepts US Dollar receipts for student fees due and therefore is exposed to some foreign exchange risk which it manages through policy of regular conversion to Pounds Sterling.

### Policy with respect to members' drawings and the subscription and repayment of members' capital

Each member contributed £1 capital on incorporation and is entitled to an equal share of the net assets of the LLP. No member is entitled to receive interest on its capital contribution to the LLP. Unless otherwise agreed in writing by both members no drawings are permitted before the end of the financial year.

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 required cannot be different to those on which another member has agreed to contribute further capital. Members will subscribe new capital in accordance with the business needs and cash flow.

This report was approved by the management board on 17/3/2023 and signed on its behalf by:



**John Sykes**

On behalf of the Designated Members

# INTO STIRLING LLP

## Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing 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 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 financial position of the LLP, and enable them to ensure that the financial statements comply with the 2008 Regulations. 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.

## Statement of disclosure of information to auditor

Each of the persons who is a member at the date of approval of this report confirm that:

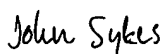
- so far as each member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

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 jurisdictions.

## Independent auditors

The auditors, Grant Thornton UK LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at an appropriate meeting of the members.

This statement was approved by the management board on 17/3/2023 and signed on its behalf by:



**John Sykes**

On behalf of the Designated Members



# INTO STIRLING LLP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTO STIRLING LLP

### Opinion

We have audited the financial statements of INTO Stirling LLP (the 'limited liability partnership') for the year ended 31 July 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of members' interests and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 July 2022 and of its loss 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the limited liability partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the limited liability partnership to cease to continue as a going concern.

In our evaluation of the members' conclusions, we considered the inherent risks associated with the limited liability partnership's business model including effects arising from macro-economic uncertainties such as the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the members and the related disclosures and analysed how those risks might affect the limited liability partnership's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

# INTO STIRLING LLP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTO STIRLING LLP (continued)

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships" regime.

### Responsibilities of members

As explained more fully in the members' responsibilities statement set out on page 6, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership'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 the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# INTO STIRLING LLP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTO STIRLING LLP (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006 as applied to limited liability partnerships.
- We communicated relevant laws and regulations and potential fraud risk to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit
- We understood how the entity is complying with those legal and regulatory frameworks by making inquiries of management and those charged with governance.
- We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand areas where management considered there was a susceptibility to fraud.
- Audit procedures performed by the engagement team on the areas where fraud might occur included:
  - evaluation of the effectiveness of management's controls designed to prevent and detect irregularities;
  - journal entries testing, with a focus on manual entries, unauthorised user entries and entries determined to be large or relating to unusual transactions;
  - identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the entity operates
  - understanding of the legal and regulatory requirements specific to the entity

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# INTO STIRLING LLP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTO STIRLING LLP (continued)

### Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

Christian Heeger BSc FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Crawley  
17/3/2023

# INTO STIRLING LLP

## Statement of comprehensive income for the year ended 31 July 2022

	Note	2022 £	2021 (restated) £
Revenue		3,474,176	2,527,470
Cost of sales		(2,345,217)	(1,748,587)
<b>Gross profit</b>		<b>1,128,959</b>	<b>778,883</b>
Administrative expenses		(1,537,213)	(1,318,303)
<b>Operating loss</b>	1	<b>(408,254)</b>	<b>(539,420)</b>
Other income	2	5,990	63,192
Interest receivable and similar income	5	2,409	-
<b>Loss for the financial year before members' remuneration</b>		<b>(399,855)</b>	<b>(476,228)</b>
Members' remuneration charged as an expense		(604,426)	(988,000)
<b>Loss for the financial year available for discretionary division among members</b>		<b>(1,004,281)</b>	<b>(1,464,228)</b>

All amounts relate to continuing operations.

There is no comprehensive income in the year other than that disclosed above.

The notes on pages 18 to 24 form part of these financial statements.

# INTO STIRLING LLP

## Balance sheet

as at 31 July 2022

Registered number: SO304698

	Note	2022 £	2021 (Restated) £
<b>Fixed assets</b>			
Intangible assets	6	539,278	537,470
Tangible assets	7	121,261	161,720
		<u>660,539</u>	<u>699,190</u>
<b>Current assets</b>			
Debtors	8	1,141,391	930,017
Cash at bank and in hand		406,201	475,646
		<u>1,547,592</u>	<u>1,405,663</u>
<b>Creditors: amounts falling due within one year</b>	9	(6,473,918)	(5,940,995)
<b>Net current liabilities</b>		<u>(4,926,326)</u>	<u>(4,535,332)</u>
<b>Total assets less current liabilities</b>		<u>(4,265,787)</u>	<u>(3,836,142)</u>
<b>Provisions for liabilities</b>	10	(406,957)	(263,632)
<b>Net deficit attributable to members</b>		<u>(4,672,744)</u>	<u>(4,099,774)</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year:</b>			
Members capital classified as a liability		2	2
Loans due to members		5,031,311	4,600,000
<b>Members' other interests:</b>			
Other reserves		(9,704,057)	(8,699,776)
<b>Total members' deficit</b>		<u>(4,672,744)</u>	<u>(4,099,774)</u>

These financial statements were prepared in accordance with the Small Limited Liability Partnerships' regime.

The financial statements on pages 11 to 24 were prepared and approved by the Members on 17/3/2023 and signed on their behalf by:

*John Sykes*

**John Sykes**

On behalf of the Designated Members

The notes on pages 18 to 24 form part of these financial statements.

# INTO STIRLING LLP

## Statement of members' interests for the year ended 31 July 2022

		<u>DEBT</u>		<u>EQUITY</u>	
	Members' capital classified as a liability	Loans due to members	Total debt due to members	Other reserves	Total members' interests
	£	£	£	£	£
Amounts due from members				(7,221,395)	
<b>At 31 July 2020 (as previously stated)</b>	<b>2</b>	<b>3,400,000</b>	<b>3,400,002</b>	<b>(7,221,395)</b>	<b>(3,821,393)</b>
Prior period adjustment (note 3)	-	-	-	(14,153)	(14,153)
<b>At 31 July 2020 (restated)</b>	<b>2</b>	<b>3,400,000</b>	<b>3,400,002</b>	<b>(7,235,548)</b>	<b>(3,835,546)</b>
Members' remuneration charged as an expense	-	988,000	988,000	-	988,000
Amounts drawn by members		(988,000)	(988,000)	-	(988,000)
Loss for the year available for discretionary division among members	-	-	-	(1,464,228)	(1,464,228)
Members' interests after loss for the year	2	3,400,000	3,400,002	(8,699,776)	(5,299,774)
Loan additions	-	1,200,000	1,200,000	-	1,200,000
<b>At 31 July 2021 (restated)</b>	<b>2</b>	<b>4,600,000</b>	<b>4,600,002</b>	<b>(8,699,776)</b>	<b>(4,099,774)</b>
Members' remuneration charged as an expense	-	604,426	604,426	-	604,426
Amounts drawn by members		(604,426)	(604,426)	-	(604,426)
Loss for the year available for discretionary division among members	-	-	-	(1,004,281)	(1,004,281)
Members' interests after loss for the year	2	4,600,000	4,600,002	(9,704,057)	(5,104,055)
Loan additions	-	431,311	431,311	-	431,311
Amounts due from members				(9,704,057)	
<b>At 31 July 2022</b>	<b>2</b>	<b>5,031,311</b>	<b>5,031,313</b>	<b>(9,704,057)</b>	<b>(4,672,744)</b>

Loans and other debts due to members comprise £500,000 owed to UOS Education Limited and £4,531,311 owed to IUP 2 LLP.

Loans to members would rank alongside all other unsecured creditors in the event of a winding up. There are no restrictions on the ability of members to reduce the amount of Members' other interests.

The notes on pages 18 to 24 form part of these financial statements.

# INTO STIRLING LLP

## Principal accounting policies

### Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships. The financial statements have been prepared on the historical cost basis.

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.

After considering the cash flow projections for the twelve months from the date these financial statements were issued for approval, the members 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.

In preparing this analysis the members have considered the LLP's ability to meet its liabilities based on various levels of reductions in student numbers, as well as a number of cost mitigation strategies that can be employed.

Post year end £3.8m of the University of Stirling trading debt was converted into a loan with a total facility of £4 million. The LLP has a matching facility of £4 million with IUP2 LLP. In addition, there are two facilities of £1 million with both members. The total available facilities at the date these accounts were approved was therefore £10 million, of which £8.6 million had been drawn down. The total undrawn facilities at the date the accounts were approved was therefore £1.4 million and this has also been considered as part of the going concern assessment.

Based on these circumstances, the members believe that it remains appropriate to prepare the financial statements on the going concern basis.

### Cash flow statement

The members have adopted the disclosure exemption within the Companies Act 2006 in accordance with the provisions of FRS102 Section 1A – small entities.

### Intangible assets and amortisation

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life on a straight line basis. Amortisation is charged to administrative expenses in the statement of comprehensive income.

Computer software	-	16% straight line
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### 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:



# INTO STIRLING LLP

## Principal accounting policies (*continued*)

### Tangible fixed assets and depreciation (*continued*)

Leasehold improvements	-	20% straight line
Office equipment	-	20% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	20% 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 LLP and value added taxes.

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 received and receivable attributable to the current accounting year net of discounts. Tuition fees are attributed to accounting periods based on the tuition actually provided in that period. The costs of any fees waived are deducted from the tuition fee income.

#### *Accommodation*

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

### Other income

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

### 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.

### 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.

The members' agreement sets out that all profits and losses are allocated as soon as the annual accounts for the relevant accounting year are approved by the members. All profits realised in the profit and loss account are treated as members' remuneration charged as an expense by reference to pre-determined profit-sharing mechanisms. Remuneration to members reflects the members' reward for services performed to the LLP in the financial year, which include academic, marketing and administrative support services. This is paid in the form of pre-agreed fees based on the services provided, and an allocation of profits based on the performance of the company in that period. Allocated profit is included within "other amounts classified as debt".

The agreement also states that allocated losses cannot exceed members' capital, and therefore where the LLP has accumulated losses they are included within equity as "Other reserves".

# INTO STIRLING LLP

## Principal accounting policies (*continued*)

### Members' participation rights (*continued*)

All amounts due to members that are classified as liabilities are presented in the Balance sheet within 'Loans and other debts due to members'. Amounts due to members that are classified as equity are shown in the Balance sheet within 'Other reserves'. Loans to members would rank alongside all other unsecured creditors in the event of a winding up. There are no restrictions on the ability of members to reduce the amount of Members' other interests.

### Distribution of profits and losses and drawings

Any profits 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 members' 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. Losses will be included within equity as detailed above.

There shall be no drawings on account of profits before the end of the financial year. Where members receive payment for services performed under the LLP agreement, this is included within Members' remuneration charged as an expense.

### Taxation

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

Tax 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.

### Financial instruments

The LLP uses basic financial instruments such as standard trade payables and receivables, cash and bank balances and loans from related parties. Basic financial instruments are initially recognised at transaction price and are subsequently carried at amortised cost.

At the end of each reporting period financial assets are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present Value of the estimated cash flows. The impairment loss is recognised in profit or loss.

### Agent Commission

Commission paid to third party agents, where the LLP has a right to recover the payments in the event the student leaves before the completion of their course, are deferred on the balance sheet and recognised over the same period as the related student revenue. Payments made where the LLP has no recourse to recover them are expensed as they are earned by the third party.

### Critical accounting judgements and key sources of estimation

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 that have the most significant effect on the amounts recognised in the financial statements.

# INTO STIRLING LLP

## Principal accounting policies (*continued*)

### Useful economic lives of tangible and intangible assets

The annual depreciation charge for tangible and intangible 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 notes 6 and 7 for the carrying amount and the section above on tangibles fixed assets and depreciation for the useful economic lives for each class of assets.

### Life Cycle Provision

The Property Life Cycle Scheme provision relates to leased properties which INTO Stirling is occupying. The LLP is charging provision toward maintaining the leased property in a good condition, along with the need for them to redecorate, remove any additions they have made to the property, and reinstall any parts of the property they may have removed, when the lease comes to an end. Key assumptions used within this estimate relate to the nature, cost and timing of future repairs to be undertaken, which has been in consultation with property surveyors, as well as the discount rate used in relation to expected future cash flows, which is calculated based on the INTO group's current cost of borrowing.

# INTO STIRLING LLP

## Notes to the financial statements for the year ended 31 July 2022

### 1 Operating loss

The operating loss is stated after charging:

	2022	2021
	£	£
Amortisation of intangible assets	157,109	140,630
Depreciation of tangible assets	80,782	80,240
Loss / (profit) on foreign currency transactions	257	(426)
Auditors' remuneration		
- audit of the LLP's financial statements	35,400	26,400

### 2 Other income

	2022	2021
	£	£
Government grants – furlough scheme	5,990	63,192

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

# INTO STIRLING LLP

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

### 3 Prior year restatement

A number of restatements to the prior year comparatives have been made as detailed below:

	2021 as previously stated £	Adjustment (a) £	Adjustment (b) £	Adjustment (c) £	2021 as restated £
<b>Turnover</b>	2,506,911	20,559	-	-	<b>2,527,470</b>
Cost of sales	(1,809,337)	32,610	28,140	-	<b>(1,748,587)</b>
<b>Gross Profit</b>	697,574	53,169	28,140	-	<b>778,883</b>
Administrative expenses	(2,278,163)	-	959,860	-	<b>(1,318,303)</b>
<b>Operating loss</b>	(1,580,589)	53,169	988,000	-	<b>(539,420)</b>
<b>Loss for the financial year before members' remuneration</b>	(1,517,397)	53,169	988,000	-	<b>(476,228)</b>
Members' remuneration charged as an expense	1,517,397	-	(2,505,397)	-	<b>(988,000)</b>
<b>Loss for the financial year available for discretionary division among members</b>	-	53,169	(1,517,397)	-	<b>(1,464,228)</b>
<b>Fixed assets</b>	699,190	-	-	-	<b>699,190</b>
Debtors	891,001	39,016	-	-	<b>930,017</b>
Cash at bank and in hand	475,646	-	-	-	<b>475,646</b>
Creditors: amounts falling due within one year	(6,204,627)	-	-	263,632	<b>(5,940,995)</b>
<b>Net current liabilities</b>	(4,837,980)	39,016	-	263,632	<b>(4,535,332)</b>
<b>Total assets less current liabilities</b>	(4,138,790)	39,016	-	263,632	<b>(3,836,142)</b>
<b>Provisions for liabilities</b>	-	-	-	(263,632)	<b>(263,632)</b>
<b>Net deficit attributable to members</b>	<b>(4,138,790)</b>	<b>39,016</b>	<b>-</b>	<b>-</b>	<b>(4,099,774)</b>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year:</b>					
Members capital classified as a liability	2	-	-	-	<b>2</b>
Loans due to members	4,600,000	-	-	-	<b>4,600,000</b>
<b>Members' other interests:</b>					
Other reserves	(8,738,792)	39,016	-	-	<b>(8,699,776)</b>
<b>Total members deficit</b>	<b>(4,138,790)</b>	<b>39,016</b>	<b>-</b>	<b>-</b>	<b>(4,099,774)</b>

In addition the impact of this adjustment was to reduce opening other reserves as at 1 August 2020 by £14,153.

# INTO STIRLING LLP

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

### 3 Prior year restatement (continued)

- a) During the year management reviewed the LLP's accounting in respect of certain commissions collected from universities and paid to counsellors in the year and came to the conclusion that the LLP was acting as a principal rather than an agent in these transactions, and therefore should have been recognising the amount received as turnover and the amount paid out as a cost of sale, as opposed to taking the net difference between these two amounts to cost of sales in the year. Furthermore, it was decided by management that these amounts should be recognised on the related student's enrolment on the relevant course, rather than when the commission becomes payable, as the LLP is considered to have fully discharged its obligations at that point. The effect of this was to increase the deficit on opening reserves as at 1 August 2020 by £14,153.
- b) Following a review of the LLP's transactions with related parties management concluded that amounts payable to members for contractual services such as marketing should be included within Members' remuneration charged as an expense rather than Administrative expenses and Cost of sales. Previously losses were automatically allocated to members, whereas following this review they are treated as a discretionary allocation. This adjustment has no impact on opening reserves.
- c) During the year management reviewed the LLP's provisions in relation to lifecycle maintenance on certain of its leasehold properties. It concluded that the amount in the balance sheet of £263,362 as at 31 July 2021 should have been included in Provisions for liabilities rather than Creditors and this has therefore been reclassified accordingly.

### 4 Staff costs

	2022	2021
	£	£
Staff costs comprise:		
Wages and salaries	1,169,714	990,118
Social security costs	108,743	86,122
Other pension costs	84,558	78,314
	<b>1,363,015</b>	<b>1,154,554</b>

The pension cost charge in the year amounting to £84,558 (2021: £78,314) represents contributions payable by the LLP into the Group INTO Pension Plan and Stakeholder Scheme. At the year end there were £7,731 (2021: £7,844) of contributions outstanding.

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

	2022	2021
	Number	Number
Teaching staff	29	28
Administration	13	12
	<b>42</b>	<b>40</b>

During the year, there were 2 (2021: 2) corporate members of the LLP.

### 5 Interest receivable and similar income

	2022	2021
	£	£
Bank interest	2,409	-

# INTO STIRLING LLP

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

### 6 Intangible assets

	Computer software £
<b>Cost</b>	
At 31 July 2021	931,371
Additions	158,917
Disposals	(132,083)
<b>At 31 July 2022</b>	<b>958,205</b>
<b>Accumulated amortisation</b>	
At 31 July 2021	393,901
Charge for the year	157,109
Charge on disposals	(132,083)
<b>At 31 July 2022</b>	<b>418,927</b>
<b>Net book value</b>	
At 31 July 2022	539,278
At 31 July 2021	537,470

### 7 Tangible assets

	Leasehold improvements £	Office equipment £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 31 July 2021	42,016	1,702	246,445	96,234	386,397
Additions	-	-	3,025	37,298	40,323
Disposals	-	(1,702)	-	(12,514)	(14,216)
<b>At 31 July 2022</b>	<b>42,016</b>	<b>-</b>	<b>249,470</b>	<b>121,018</b>	<b>412,504</b>
<b>Accumulated depreciation</b>					
At 31 July 2021	25,076	1,475	134,468	63,658	224,677
Charge for the year	8,403	227	49,743	22,409	80,782
Charge on disposals	-	(1,702)	-	(12,514)	(14,216)
<b>At 31 July 2022</b>	<b>33,479</b>	<b>-</b>	<b>184,211</b>	<b>73,553</b>	<b>291,243</b>
<b>Net book value</b>					
At 31 July 2022	8,537	-	65,259	47,465	121,261
At 31 July 2021	16,940	227	111,977	32,576	161,720

# INTO STIRLING LLP

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

### 8 Debtors

	2022	2021 (restated)
Due within one year:	£	£
Trade debtors	887,604	745,083
Amounts owed by related parties	1,200	-
Other debtors	47,507	53,335
Prepayments and accrued income	205,080	131,599
	<b>1,141,391</b>	<b>930,017</b>

Amounts due from related parties comprises £1,200 (2021: £nil) due from INTO Perth Pty Limited. These amounts are unsecured, repayable on demand and interest free.

### 9 Creditors: amount falling due within one year

	2022	2021 (restated)
	£	£
Trade creditors	4,569	4,508
Amounts owed to related parties	3,978,895	3,956,732
Taxation and social security	36,000	39,289
Other creditors	664,366	504,498
Accruals and deferred income	1,790,088	1,435,968
	<b>6,473,918</b>	<b>5,940,995</b>

Amounts owed to related parties comprises of £3,936,079 (2021: £3,928,296) due to the University of Stirling, £nil (2021: £711) due to IUP 2 LLP, £8,792 (2021: £1,794) due to INTO China Limited, £nil (2021: £12,514) due to DPU Global Limited, £26,606 (2021: £13,417) due to IUP (Asia) Limited, £6,375 (2021: £nil) due to INTO London World Education Centre Limited and £1,043 (2021: £nil) due to University Access Centre Vietnam Co Limited. These amounts are unsecured, repayable on demand and interest free.

### 10 Provisions for liabilities

	Life Cycle Provision (restated)
Amounts falling due within one year:	£
At 1 August 2021	263,632
Charged	143,325
<b>At 31 July 2022</b>	<b>406,957</b>

The Life Cycle provision relates to leased properties which INTO Stirling is occupying. The LLP is charging provision toward maintaining the leased property in a good condition, along with the need for them to redecorate, remove any additions they have made to the property, and reinstall any parts of the property they may have removed, when the lease comes to an end.



# INTO STIRLING LLP

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

### 11 Members' profit shares

The final allocation and distribution of profits and losses to individual members is automatic and is made after the financial statements have been approved. IUP 2 LLP and UoS Education Limited are entitled to an equal share of profit.

The average monthly number of LLP members during the year was:

	2022 Number	2021 Number
UK members	2	2

### 12 Post balance sheet events

On 11 August 2022 the LLP entered into a new loan facility with the University of Stirling with an upper limit of £4,000,000. Interest is charged at Bank of England base rate plus a margin of 2% and is payable on 31 July of each year of the term, which expires in 2037. The terms of the agreement are to convert existing trading debt of £3,800,000 to loans. The remaining £200,000 is available to draw down by the LLP as a cash injection if required.

### 13 Ultimate controlling party and related party transactions

The LLP is jointly controlled by IUP 2 LLP and UOS Education Limited, both of which are incorporated in the United Kingdom. These are the sole members of the LLP and profit is divided equally. IUP 2 LLP is controlled by Into University Partnerships Limited and ultimately by Andrew Colin. UOS Education Limited is ultimately controlled by the University of Stirling.

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	2022 £			2021 £		
		Sales	Purchases	Debtor/ (creditor)	Sales	Purchases	Debtor/ (creditor)
IUP 2 LLP	Member	4,522	974,425	-	61,796	1,370,344	(711)
University of Stirling	Ultimate controlling party	217,235	882,858	(3,936,079)	204,342	761,200	(3,928,296)
INTO UEA LLP	Fellow group member	2,357	1,000	-	-	1,357	-
INTO Scotland LLP	Fellow group member	-	-	-	137,906	7,647	-
INTO University Partnership Asia Limited	Fellow group member	-	10,844	-	-	2,720	(13,441)
INTO China Limited	Fellow group member	-	-	-	-	1,923	(1,794)

# INTO STIRLING LLP

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

### 13 Ultimate controlling party and related party transactions (continued)

Related party name	Relationship to the LLP	2022 £			2021 £		
		Sales	Purchases	Debtor/ (creditor)	Sales	Purchases	Debtor/ (creditor)
INTO Manchester Limited	Fellow group member	480	-	-	-	905	-
INTO Queen's LLP	Fellow group member	-	-	-	1,357	-	-
INTO University of Exeter LLP	Fellow group member	-	1,357	-	-	4,380	-
DPU Global Limited	Fellow group member	-	-	-	-	67,898	(12,414)
INTO Newcastle University LLP	Fellow group member	2,107	-	-	3,552	-	-
INTO London World Education Centre	Fellow group member	-	6,375	(6,375)	-	-	-
Delta Language Training and Consultancy Limited (NILE)	Fellow group member	-	1,042	-	-	-	-
INTO Perth Pty Limited	Fellow group member	1,200	-	1,200	-	-	-
INTO University Partnership Asia Limited	Fellow group member	-	-	(26,606)	-	-	-
INTO China Limited	Fellow group member	-	-	(8,792)	-	-	-
INTO OSU University Access Centre Vietnam Co Limited	Fellow group member	2,923	-	-	-	-	-
	Fellow group member	-	-	(1,043)	-	-	-

In addition to these amounts the LLP has loans from members as disclosed in the Statement of changes in members' interests.