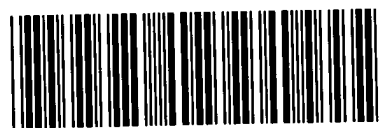


**Registered number: SO304698**

**INTO STIRLING LLP**

**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 JULY 2020**

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# INTO STIRLING LLP

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# INTO STIRLING LLP

## General information

### Designated members

IUP 2 LLP  
UOS Education Limited

### Management committee

Lorraine Slattery  
John Gardner  
Errim Mahmoud  
Liam McCabe  
Eileen Schofield  
Bridget White

### Registered office

University of Stirling  
Stirling  
Scotland  
FK9 4LA

### Independent auditors

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 2020

The managing board of members ('management board') present their strategic report of the Limited Liability Partnership ('LLP') for the year ended 31 July 2020.

### 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.

### 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	2020	2019	Comment
(Decrease) /Increase in turnover (%)	(19%)	2%	Decrease in revenue is attributable to reduced student volumes welcomed in the centre. This was exaggerated with the COVID19 pandemic impact to the Spring & Summer 2020 intakes.
Gross profit margin (%)	30%	41%	The decrease results from inefficiencies as a result of teaching fewer students. Accommodation margin recorded was negative as room voids were greater than in 2019.
Average student numbers	155	191	The average number of students undertaking courses in the year under review has seen a reduction in all programmes commencing Jan20 onwards as COVID19 impacted globally.

### 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 in the coming months. Management have taken steps to transfer the centre's courses online whilst maintaining the quality of education offered to students both remotely and, when travel regulations permit, in person.

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 2020 (continued)

### Future developments

- 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 14/3/2021 and signed on its behalf by:

*John Sykes*

**John Sykes**

On behalf of the Designated Members

# INTO STIRLING LLP

## Members' report for the year ended 31 July 2020

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 2020.

### Legal structure

The LLP is incorporated 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)
E Mahmoud	(on behalf of IUP 2 LLP)
L Slattery	(on behalf of IUP 2 LLP)
E Schofield	(on behalf of UOS Education Limited)
J Gardner	(on behalf of UOS Education Limited)
L McCabe	(on behalf of UOS Education Limited)

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 £1,197,635 (2019 (restated): £1,073,310).

Total members' interests shows a deficit of £3,821,393 (2019 (restated): £3,523,758).

### 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.

The COVID 19 crisis has significantly impacted the international education sector and caused significant uncertainty over the ability of the LLP to recruit students in the coming months. Management have taken steps to transfer the group and joint ventures courses online and whilst maintaining the quality of education offered to students both remotely and, when travel regulations permit, in person. Management have also taken steps to maintain the financial resilience of the LLP in the short and long term through diligent liquidity planning and the arrangement of loan facilities from the members, to be drawn down as necessary.

As a result this uncertainty has been considered as part of the LLP's assessment of the going concern basis in the preparation of the financial statements. 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.

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 2020 (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.

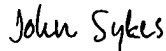
During the year the LLP began accepting US Dollar receipts for student fees due and therefore is exposed to some foreign exchange risk which it manages through policy of regular conversion to Pounds Sterling.

### 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. 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, net of any deficit on that member's current account. Members will subscribe new capital in accordance with the business needs and cash flow.

This report was approved by the management board on 14/3/2021 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 Annual Report and the financial statements in accordance with applicable law and regulation.

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

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

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

## 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 jurisdiction.

## 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 the Annual General Meeting.

This statement was approved by the management board on <sup>14/3/2021</sup> and signed on its behalf by:

*John Sykes*

**John Sykes**

On behalf of the Designated Members



# INTO STIRLING LLP

## INDEPENDENT AUDITORS' 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 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of members' interests, the Principal accounting policies and the notes to the financial statements. 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 2020 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.

### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the members and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the limited liability partnership's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the limited liability partnership's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a limited liability partnership associated with these particular events.

# INTO STIRLING LLP

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTO STIRLING LLP (*continued*)

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the members' conclusions, we considered the risks associated with the limited liability partnership's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the limited liability partnership's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the limited liability partnership will continue in operation.

### Other information

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

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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.

# INTO STIRLING LLP

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTO STIRLING LLP (*continued*)

### 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.

### Responsibilities of members for the financial statements

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.

### Auditors' 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 auditors' 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.

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

### 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

15/3/2021

# INTO STIRLING LLP

## Statement of comprehensive income for the year ended 31 July 2020

	Note	2020 £	2019 (restated) £
<b>Revenue</b>		<b>3,886,889</b>	<b>4,792,040</b>
Cost of sales		(2,710,142)	(2,834,997)
<b>Gross profit</b>		<b>1,176,747</b>	<b>1,957,043</b>
Net administrative expenses		(2,466,084)	(2,985,161)
Administrative exceptional item	1	55,500	-
Total administrative expenses		(2,410,584)	(2,985,161)
<b>Operating loss</b>	2	<b>(1,233,837)</b>	<b>(1,028,118)</b>
Other income	3	53,293	
Interest payable and similar charges	6	(22,500)	(52,330)
Interest receivable and similar income	7	5,409	7,138
<b>Loss before and after tax and total comprehensive expense for the financial year before members' remuneration charged as an expense and profit shares</b>		<b>(1,197,635)</b>	<b>(1,073,310)</b>
Members' remuneration charged as an expense		1,197,635	1,073,310
<b>Profit for the year available for discretionary division among members</b>		<b>-</b>	<b>-</b>

All amounts relate to continuing operations.

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

The notes on pages 16 to 21 form part of these financial statements.

# INTO STIRLING LLP

## Balance sheet

as at 31 July 2020

Registered number: SO304698

	Note	2020 £	2019 (restated) £
<b>Fixed assets</b>			
Intangible assets	8	520,697	496,400
Tangible assets	9	228,039	219,936
<b>Current assets</b>			
Debtors	10	8,885,980	8,005,554
Cash at bank and in hand		61,983	1,065,161
		<u>8,947,963</u>	<u>9,070,715</u>
<b>Creditors: amounts falling due within one year</b>	11	(6,296,697)	(7,287,049)
<b>Net current liabilities</b>		<u>2,651,266</u>	<u>1,783,666</u>
<b>Total assets less current liabilities</b>		<u>3,400,002</u>	<u>2,500,002</u>
<b>Net assets attributable to members</b>		<u>3,400,002</u>	<u>2,500,002</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		3,400,000	2,500,000
		<u>3,400,002</u>	<u>2,500,002</u>
<b>Total members' interests:</b>			
Amounts due from members (included in debtors)		(7,221,395)	(6,023,760)
Members' capital classified as a liability		2	2
Loans due to members		3,400,000	2,500,000
		<u>(3,821,393)</u>	<u>(3,523,758)</u>

The financial statements on pages 10 to 21 were approved by the Members on 14 March 2021 and signed on their behalf by:

*John Sykes*

**John Sykes**

On behalf of the Designated Members

The notes on pages 16 to 21 form part of these financial statements

# INTO STIRLING LLP

## Statement of members' interests for the year ended 31 July 2020

### DEBT

	Members' capital classified as a liability £	Loans due to members £	Total debt due to members £	Amounts due from members (included in debtors) £	Total members' interests £
<b>At 31 July 2018</b>	<b>2</b>	<b>1,500,000</b>	<b>1,500,002</b>	<b>(4,950,450)</b>	<b>(3,450,448)</b>
Profit for the year available for discretionary division among members	-	-	-	-	-
Members' remuneration charged as an expense	-	-	-	(1,034,027)	(1,034,027)
Members' interests after profit for the year	2	1,500,000	1,500,002	(5,984,477)	(4,484,475)
Prior year restatement	-	-	-	(39,283)	(39,283)
Loan additions	-	1,000,000	1,000,000	-	1,000,000
<b>At 31 July 2019 (restated)</b>	<b>2</b>	<b>2,500,000</b>	<b>2,500,002</b>	<b>(6,023,760)</b>	<b>(3,523,758)</b>
Profit for the year available for discretionary division among members	-	-	-	-	-
Members' remuneration charged as an expense	-	-	-	(1,197,635)	(1,197,635)
Members' interests after profit for the year	2	2,500,000	2,500,002	(7,221,395)	(4,721,393)
Loan additions	-	900,000	900,000	-	900,000
<b>At 31 July 2020</b>	<b>2</b>	<b>3,400,000</b>	<b>3,400,002</b>	<b>(7,221,395)</b>	<b>(3,821,393)</b>

Loans and other debts due to members comprise £500,000 owed to UOS Education Limited and £2,900,000 owed to IUP 2 LLP. Loans to members would rank after all other unsecured creditors in the event of a winding up.

The notes on pages 16 to 21 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, issued on 26 January 2017. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

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.

The COVID 19 crisis has significantly impacted the international education sector and caused significant uncertainty over the ability of the LLP to recruit students in the coming months. Management have taken steps to transfer the group and joint ventures courses online and whilst maintaining the quality of education offered to students both remotely and, when travel regulations permit, in person. Management have also taken steps to maintain the financial resilience of the LLP in the short and long term through diligent liquidity planning and the arrangement of loan facilities from the members, to be drawn down as necessary.

As a result this uncertainty has been considered as part of the LLP's assessment of the going concern basis in the preparation of the financial statements. 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.

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 as applied by LLPs "the requirement to present a statement of cash flows and related notes" on the grounds that the LLP qualifies as a small entity.

### 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, of four years, 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 company 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.

### Pension scheme

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

Contributions made by the LLP are accordingly recognised in the statement of comprehensive income when they become payable.

### Operating leases

Rentals under operating leases are included in operating expenses in the statement of comprehensive income on a straight line basis over the term of the lease. Since 7 August 2017, the LLP's primary place of business is a purpose built centre on the campus of the University of Stirling. There is between the University and INTO Stirling LLP an agreement for lease in respect of this arrangement. The associated lease is in final form but has not yet been signed.

### 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 required to be automatically allocated, all of the profits and losses realised in the profit and loss account are treated as members' remuneration charged as an expense by reference to pre-determined profit sharing mechanisms. Allocated profit is included within "other amounts classified as debt"



# 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' and are charged to the statement of comprehensive income within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance sheet within 'Other reserves'. Loans to members would rank after all other unsecured creditors in the event of a winding up.

### Distribution of profits and losses and drawings

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 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.

### 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.

### 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.

### 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.

### Administrative exceptional items

The LLPs classifies certain one-off charges or credits that have a material impact on the LLP's results as "exceptional items". These are disclosed separately to provide further understanding of the financial performance of the group.

# INTO STIRLING LLP

## Notes to the financial statements for the year ended 31 July 2020

### 1 Administrative exceptional item

	2020	2019
	£	£
Exceptional gains	<b>55,500</b>	-

The exceptional gains in the current year relate to an approved insurance claim in relation to flooding of teaching premises during summer 2019.

### 2 Operating loss

The operating loss is stated after charging:

	2020	2019
	£	£
Amortisation of intangible assets	<b>142,806</b>	95,201
Depreciation of tangible assets	<b>79,771</b>	157,213
Loss on foreign currency transactions	<b>1,384</b>	5,791
Auditors' remuneration		
- audit of the LLP's financial statements	<b>12,000</b>	25,556

### 3 Other income

	2020	2019
	£	£
Government grants - furlough scheme	<b>53,293</b>	-

Due to COVID 19 and the restriction of student activities in the centre the company applied for government furlough scheme and received a grant for a few employees who were affected by reduced operating activities from the period April to July 2020.

# INTO STIRLING LLP

## Notes to the financial statements for the year ended 31 July 2020 (continued)

### 4 Prior year restatement

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

	2019 as previously stated £	Adjustment (a) £	Adjustment (b) £	2019 as restated £
Revenue	4,831,323	(39,283)		4,792,040
Gross Profit	1,996,326	(39,283)		1,957,043
Operating loss	(988,835)	(39,283)		(1,028,118)
Loss before and after tax and total comprehensive expense for the financial year before members' remuneration charged as an expense and profit shares	(1,034,027)	(39,283)		(1,073,310)
<b>Current assets</b>				
Debtors	1,981,794		6,023,760	8,005,554
Creditors: amounts falling due within one year	(7,247,766)	(39,283)		(7,287,049)
Net current liabilities	(4,200,811)	(39,283)	6,023,760	1,783,666
Total assets less current liabilities	(3,484,475)	(39,283)	6,023,760	2,500,002
Net deficit attributable to members	<u>(3,484,475)</u>	<u>(39,283)</u>	<u>6,023,760</u>	<u>2,500,002</u>
<b>Represented by:</b>				
<b>Loans and other debts due to members within one year:</b>				
Members capital classified as debt	2			2
Loans and other debts due to members	<u>2,500,000</u>			<u>2,500,000</u>
	<u>2,500,002</u>			<u>2,500,002</u>
<b>Total members interests</b>				
Amounts due from members (included in debtors)	(5,984,477)	(39,283)		(6,023,760)
Members capital classified as debt	2			2
Loans and other debts due to members	<u>2,500,000</u>			<u>2,500,000</u>
	<u>(3,484,475)</u>	<u>(39,283)</u>		<u>(3,523,758)</u>

- a) During the year a review was performed of the legal status of certain amounts held on behalf of students. These amounts relate to unclaimed deposits paid by students where attempts have been made to contact the relevant individuals, but where the LLP was unable to identify an account into which to return the funds. On review it was concluded that these amounts should not be taken to the statement of comprehensive income until there is no longer a legal right for the student to collect this cash, as opposed to one year after the deposit becomes refundable.
- b) A disclosure change has been made in order to ensure the LLP's compliance with the LLP SORP. Amounts previously described as members' capital are now disclosed as "Members' capital classified as debt", the deficit on members' reserves is now disclosed within debtors as amounts due to members, and the profit and total comprehensive income for the year is now allocated to members as remuneration in accordance with the LLP agreement, reducing the profit and total comprehensive income for the year to zero.

# INTO STIRLING LLP

## Notes to the financial statements for the year ended 31 July 2020 (continued)

### 5 Staff costs

	2020	2019
	£	£
Staff costs comprise:		
Wages and salaries	960,438	978,389
Social security costs	80,795	65,682
Other pension costs	72,762	59,878
	<b>1,113,995</b>	<b>1,103,949</b>

The pension cost charge in the year amounting to £72,762 (2019: £59,878) represents contributions payable by the LLP into the Group INTO Pension Plan and Stakeholder Scheme. At the year end there were £6,425 (2019: £7,440) of contributions outstanding.

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

	2020	2019
	Number	Number
Teaching staff	31	30
Administration	12	16
	<b>43</b>	<b>46</b>

During the year, there were 2 (2019: 2) corporate members of the LLP.

### 6 Interest payable and similar charges

	2020	2019
	£	£
Loan interest	22,500	52,325
Bank interest		5
	<b>22,500</b>	<b>52,330</b>

### 7 Interest receivable and similar income

	2020	2019
	£	£
Bank interest	5,409	7,138

# INTO STIRLING LLP

## Notes to the financial statements for the year ended 31 July 2020 (continued)

### 8 Intangible assets

	Computer software £
<b>Cost</b>	
At 31 July 2019	741,957
Additions	167,103
At 31 July 2020	<u>909,060</u>
<b>Accumulated amortisation</b>	
At 31 July 2019	245,557
Charge for the year	142,806
At 31 July 2020	<u>388,363</u>
<b>Net book value</b>	
At 31 July 2020	<u>520,697</u>
At 31 July 2019	<u>496,400</u>

### 9 Tangible assets

	Leasehold improvements £	Office equipment £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 31 July 2019	56,806	1,702	377,371	249,012	684,891
Additions	-	-	120,211	13,988	134,199
Disposals	(19,328)	-	(251,016)	(151,916)	(422,260)
At 31 July 2020	<u>37,478</u>	<u>1,702</u>	<u>246,566</u>	<u>111,084</u>	<u>396,830</u>
<b>Accumulated depreciation</b>					
At 31 July 2019	27,150	795	250,600	186,410	464,955
Charge for the year	9,011	340	49,142	21,278	79,771
Charge on disposals	(19,328)	-	(211,064)	(145,543)	(375,935)
At 31 July 2020	<u>16,833</u>	<u>1,135</u>	<u>88,678</u>	<u>62,145</u>	<u>168,791</u>
<b>Net book value</b>					
At 31 July 2020	<u>20,645</u>	<u>567</u>	<u>157,888</u>	<u>48,939</u>	<u>228,039</u>
At 31 July 2019	<u>29,656</u>	<u>907</u>	<u>126,771</u>	<u>62,602</u>	<u>219,936</u>

# INTO STIRLING LLP

## Notes to the financial statements for the year ended 31 July 2020 (continued)

### 10 Debtors

	2020	2019 (restated)
	£	£
<b>Due within one year:</b>		
Trade debtors	1,397,477	1,754,450
Amounts owed by related parties	164,918	438
Other debtors	50,405	67,881
Prepayments and accrued income	51,785	159,025
Amounts due from members	7,221,395	6,023,760
	<b>8,885,980</b>	<b>8,005,554</b>

Amounts due from related parties comprises £164,918 (2019: £nil) due from IUP 2 LLP and £nil (2019: £438) due from INTO China Limited. These amounts are unsecured, repayable on demand and interest free.

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

	2020	2019 (restated)
	£	£
Trade creditors	692	8,963
Amounts owed to related parties	4,025,324	4,066,166
Taxation and social security	29,683	60,175
Other creditors	359,031	375,012
Accruals and deferred income	1,881,967	2,776,733
	<b>6,296,697</b>	<b>7,287,049</b>

Amounts owed to related parties comprises £4,011,125 (2019: £3,681,505) due to the University of Stirling, £nil (2019: £382,304) due to IUP 2 LLP, £nil (2019: £2,357) due to INTO Manchester Limited, £1,912 (2019: £ nil) due to INTO Scotland LLP and £12,287 (2019: £ nil) due to INTO University Partnership Asia Limited. These amounts are unsecured, repayable on demand and interest free.

### 12 Members' profit shares

The final allocation and distribution of profit to individual members 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:

	2020 Number	2019 Number
UK members	2	2

# INTO STIRLING LLP

## Notes to the financial statements for the year ended 31 July 2020 (continued)

### 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	2020 £			2019 £		
		Sales	Purchases	Debtors/ (creditors)	Sales	Purchases	Debtors/ (creditors)
IUP 2 LLP	Member	47,795	1,454,695	164,918	120,568	1,894,253	(382,304)
University of Stirling	Ultimate controlling party	209,982	1,840,666	(4,011,125)	1,456,611	2,880,723	(3,681,505)
INTO UEA LLP	Fellow group member	1,357	-	-	4,345	-	-
INTO Scotland LLP	Fellow group member	6,357	27,201	(1,912)	-	64,986	-
INTO University Partnership Asia Limited	Fellow group member	-	14,799	(12,287)	-	14,357	-
INTO China Limited	Fellow group member	-	6,885	-	-	8,072	438
INTO Manchester Limited	Fellow group member	61	-	-	61	2,357	(2,357)
INTO Gloucestershire LLP	Fellow group member	-	-	-	3,360	-	-
INTO Newcastle University LLP	Fellow group member	-	-	-	-	1,357	-
INTO Queen's LLP	Fellow group member	4,357	5,917	-	-	2,460	-
INTO UNIVERSITY OF EXETER LLP	Fellow group member	4,714	-	-	-	-	-
INTO CITY LLP	Fellow group member	-	18	-	-	-	-
DPU Global Limited	Fellow group member	-	94,411	-	-	90,651	-

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