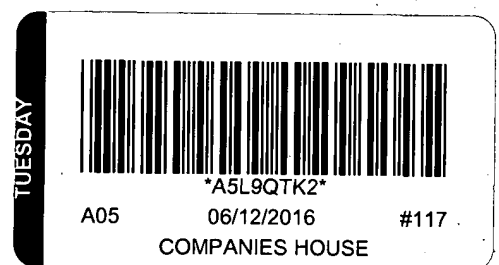


Company Registration No. 02355400

IMAGO@LOUGHBOROUGH LIMITED

Annual Report and Financial Statements

31 July 2016



IMAGO@LOUGHBOROUGH LIMITED

CONTENTS

Strategic report	1
Directors' report	2
Independent auditor's report	4
Profit and loss account	5
Statement of comprehensive income	6
Balance Sheet	7
Statement of changes in equity	8
Notes to the financial statements	9
Additional information	18

STRATEGIC REPORT

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activity

The company's principal activities are to market, sell and operate accommodation, catering and conference space located at Loughborough University. These services operate in Burleigh Court and Holywell Park, on the University Campus and at The Link which is off campus and located within Loughborough near to the University site. The directors are not aware at the date of this report, of any likely major changes in the company's activities in the next year.

Review of the business, including key performance indicators and future prospects

The directors are pleased with the results for the year in light of the current economic conditions and are confident of continuing profits in the next year.

The operating profit margin for the year is 9% (2015: 8%).

The proportion of Human Resources costs of turnover is 35 % (2015: 36%).

The loss after corporation tax of £862,306 (2015: profit of £353,611) has been transferred to reserves. This loss for the year is after a charge to the profit and loss account in respect of Gift Aid of £1,913,779 (2015: £309,042).

The company (imago@Loughborough Limited) is a wholly owned subsidiary of Loughborough University.

The company will continue to invest in its services to maintain profit levels in the future.

The balance sheet on page 7, shows the company's financial position at the year end in both net assets and cash terms. Details of amounts owed to its parent company are shown in note 13.

Principal risks and uncertainties

Competition within the conference and hotel market is a continuing risk for the company, which could result in it losing sales to its key competitors and/or an erosion of rates. The company manages this risk by closely monitoring customer feedback and actively encouraging customers to communicate regarding their visits and by actively researching competitor activity.

The company also recognises that in the current economic climate and in light of the government's policy on public expenditure it is vital that trends in forward bookings are monitored and managed.


The company is monitoring food prices and margins closely due to the significant expenditure in this area.

Risks in respect of changing world energy prices are managed by the parent company.

Credit risk is primarily attributable to trade receivables. Policies and procedures exist to ensure that customers have an appropriate credit history. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company has access to financial support from the University where required.

Approved by the Board of Directors on
and signed on behalf of the Board



Kay England
Director
Loughborough University,
Loughborough,
Leicestershire
LE11 3TU

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2016.

Future developments

Details of future developments can be found in the strategic report and form part of this report by cross-reference.

Going concern

The directors believe that the company will continue with its current business. The company's parent company, Loughborough University has confirmed that it will provide continued support for the company to meet its obligations as they fall due for a period no less than 12 months from the signing of the company's financial statements. As a result, the directors believe that the entity will continue to be a going concern into the foreseeable future and have adopted the going concern accounting convention.

Environment

Loughborough University recognises the importance of its environmental responsibilities and monitors its impact on the environment and designs and implements policies to reduce the company's impact on the environment. As a subsidiary of Loughborough University, imago@Loughborough Limited operates on similar environmental policies and ensures the safe disposal of waste it recycles and also is committed to energy consumption reductions.

Employees

Details of the number of employees and related costs are to be found in note 4 of the financial statements.

Applications for employment by disabled persons are always considered bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled every effort is made to ensure that their employment with the company continues and the company is committed to training and developing its staff at all levels and on a continuous basis. The company is an experienced member of Investors in People.

The company believes that communication is a vital element in its success and as such regular staff meetings are conducted throughout the year with an annual meeting forming part of the communication chain where the CEO addresses all employees personally in a business presentation which discusses the previous year's activity as well as that planned for the year. All staff are encouraged to bring forward ideas to improve the company and many of these are included in the annual development plan.

DIRECTORS

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

Sir John Gains (resigned 30.06.16)
Mrs K E England
Mr R S Taylor
Mr J W Murphy
Mr L J McCarthy

DIRECTORS' REPORT (Continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor of the company. A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on
and signed on behalf of the Board

 18/11/16

Kay England

Director

Loughborough University,
Loughborough,
Leicestershire,
LE11 3TU

IMAGO@LOUGHBOROUGH LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMAGO@LOUGHBOROUGH LIMITED

We have audited the financial statements of Imago@Loughborough Limited for the year ended 31 July 2016 which comprise the Profit and Loss Account, the statement of comprehensive income, the Balance Sheet, the statement of changes in equity and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Hall, FCA

David Hall FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, UK

21 November 2016

PROFIT AND LOSS ACCOUNT
Year ended 31 July 2016

	Note	2016 £	2015 £
TURNOVER	3	10,089,193	9,588,611
Cost of sales		(1,896,515)	(1,851,021)
GROSS PROFIT		8,192,678	7,737,590
Administrative expenses		(7,301,100)	(6,948,830)
OPERATING PROFIT	5	891,578	788,760
Interest receivable and similar income	6	9,273	8,917
PROFIT ON ORDINARY ACTIVITIES BEFORE GIFT AID AND TAXATION		900,851	797,677
Gift aid to Loughborough University	7	(1,913,779)	(309,042)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,012,928)	488,635
Taxation on (loss)/profit on ordinary activities	7	150,622	(135,024)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	19,20	(862,306)	353,611

All activities derived from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 July 2016


	2016	2015
	£	£
(Loss)/profit for the financial year	<u>(862,306)</u>	<u>353,611</u>
 Total comprehensive income attributable to equity shareholders of the company	 <u><u>(862,306)</u></u>	 <u><u>353,611</u></u>

BALANCE SHEET
As at 31 July 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Intangible assets	8	25,022	-
Tangible assets	9	7,031,541	7,607,094
		<u>7,056,563</u>	<u>7,607,094</u>
CURRENT ASSETS			
Stocks	10	37,620	37,904
Debtors	11	790,873	821,231
Cash at bank and in hand		2,425,218	1,542,914
		<u>3,253,711</u>	<u>2,402,049</u>
CREDITORS: amounts falling due within one year	13	<u>(3,124,248)</u>	<u>(1,954,146)</u>
NET CURRENT ASSETS		<u>129,463</u>	<u>447,903</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,186,026</u>	<u>8,054,997</u>
Provision for liabilities	12	<u>(48,331)</u>	<u>(54,996)</u>
NET ASSETS		<u>7,137,695</u>	<u>8,000,001</u>
CAPITAL AND RESERVES			
Called up share capital	14	6,000,000	8,000,000
Profit and loss account	20	1,137,695	1
TOTAL EQUITY SHAREHOLDER'S FUNDS	19	<u>7,137,695</u>	<u>8,000,001</u>

The financial statements of imago @ Loughborough Limited (Company Registration Number: 02355400) were approved by the Board of Directors and authorised for issue on

Signed on behalf of the Board

 18/11/16

Kay E England

Director

STATEMENT OF CHANGES IN EQUITY
As at 31 July 2016

	Called-up share capital £	Profit and loss account £	Total £
At 31 July 2014	8,000,000	(353,610)	7,646,390
Profit for the financial year, being total comprehensive income	-	353,611	353,611
At 31 July 2015	8,000,000	1	8,000,001
Profit for the financial year, being total comprehensive income	-	(862,306)	(862,306)
Reduction of share capital	(2,000,000)	2,000,000	-
At 31 July 2016	<u>6,000,000</u>	<u>1,137,695</u>	<u>7,137,695</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2016

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Imago @ Loughborough Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is Finance Office, Loughborough University, Loughborough, LE11 3TU. The nature of the group's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements did not require to be restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 21.

Imago @ Loughborough Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Imago @ Loughborough Limited is consolidated into the financial statements of its parent, Loughborough University, which may be obtained at from the address in note 17. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Cash flow

The financial statements do not include a cash flow statement because the company, as a wholly owned subsidiary undertaking of Loughborough University, is exempt from the requirement to prepare such a statement under FRS 102 "cash flow statements".

Related party transactions

The company has taken advantage of the option not to disclose transactions with other group undertakings conferred by FRS 102 on the grounds that 100% of the voting rights of the company are controlled within the group.

Gift aid

The company has made a gift aid donation to its ultimate parent, Loughborough University.

The directors consider that the financial statements should be prepared to reflect the company's aims and to satisfy the different reporting needs of users. Therefore the gift aid to the Loughborough University has been separately disclosed on the face of the profit and loss account.

Operating leases

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases.

Intangible fixed assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

- Software development costs 5 years

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2016

1 ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Motor vehicles	33 1/3% of cost
Computer equipment	20% of cost
Other equipment and fittings	10% - 20% of cost
Improvements to short leasehold premises	over period of lease
Plant	20% reducing balance

Assets in the course of construction are not depreciated until they are completed.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Pension and other post retirement benefits

For defined contribution schemes, the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2016

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
 UNCERTAINTY (CONTINUED)**

Recognition of deferred tax liability

Deferred tax liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities reflect the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Estimation of useful life of Fixed Assets

The charge in respect of depreciation and amortisation is derived after determining an estimate of an asset's expected life. The useful lives of the company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience and similar assets as well as anticipation of future events which may impact their life such as changes in technology.

3. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax loss, all of which arises in the United Kingdom, is attributable to two activities: the management of Burleigh Court and the promotion of other Loughborough University conference facilities.

Hotel and event income is recognised on the last night of the stay. A manual adjustment is then entered at each period end to accrue for the income earned before period end. Income from bars and restaurants is recognised on the day the cash takings are recorded.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2016 £	2015 £
Directors' remuneration		
Emoluments	86,375	81,073
Payments made to defined contribution pension scheme	7,543	6,983
	<u>93,918</u>	<u>88,056</u>

One director received remuneration from the company. The remaining executive directors are remunerated from Loughborough University, as it is not practical to split out the remuneration between entities.

1 director is a member of the defined contribution pension scheme.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2016

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

These average numbers do not include casual staff whose cost is included below.

Average number of persons employed	2016 Number	2015 Number
Management	5	5
Administration	21	20
Production	122	122
	<u>148</u>	<u>147</u>
Staff costs during the year (including directors)	£	£
Wages and salaries	3,178,621	3,108,573
Social security costs	204,972	205,941
Pension costs	129,333	125,955
	<u>3,512,926</u>	<u>3,440,469</u>

5. OPERATING PROFIT

	2016 £	2015 £
Operating profit is stated after charging:		
Depreciation of owned assets	805,507	575,735
Amortisation of intangible assets	-	-
Fees payable to the company's auditor for the audit of the company's annual financial statements	7,725	7,650
Operating lease payments		
- land and buildings	757,500	1,085,950
- equipment and fittings	104,950	108,324
Loss/(Profit) on disposal of fixed assets	-	(83)
	<u></u>	<u></u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £	2015 £
Other interest	<u>9,273</u>	<u>8,917</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2016

7. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2016 £	2015 £
Deferred tax		
Reversal of timing differences (note 12)	(6,665)	(8,933)
Current Tax		
Corporation tax	-	143,957
Additional gift aid in respect of prior year	(143,957)	-
	<u>(150,622)</u>	<u>135,024</u>
Tax (credit)/charge on loss on ordinary activities	<u>(150,622)</u>	<u>135,024</u>

The actual tax (credit)/charge for the current year and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2016 £	2015 £
(Loss)/profit on ordinary activities before taxation	(1,012,927)	488,635
	<u>(1,012,927)</u>	<u>488,635</u>
Tax on (loss)/profit on ordinary activities at 20.00 % (2015: 20.67%)	(202,585)	101,001
Expenses not deductible for tax purposes	115,421	282
Capital allowances less than depreciation	87,164	42,657
Loss on disposal of fixed assets	-	17
Adjustments in respect of prior years;		
Additional gift aid donation	(143,957)	-
Expected tax on retained profit of £122,742 at 20.67%	25,365	-
Research and development expenditure credit	(25,213)	-
Marginal relief	(152)	-
Reversal of timing differences	(6,665)	(8,933)
	<u>(150,622)</u>	<u>135,024</u>
Total tax (credit)/charge	<u>(150,622)</u>	<u>135,024</u>

Factors affecting the tax (credit)/charge

The standard rate of tax applied to the reported loss is 20.00%. The rate applied to the retained profit of the previous year is affected by the rate reduction from 21% to 20% enacted during 2015.

	2016 £	2015 £
Gift Aid Calculation		
Charge in the year	1,340,067	309,042
Charge relating to prior year	573,712	-
	<u>1,913,779</u>	<u>309,042</u>
Total gift aid	<u>1,913,779</u>	<u>309,042</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2016

8. INTANGIBLE ASSETS

	Software £	Total £
Cost		
At 1 August 2015	-	-
Additions	25,022	25,022
At 31 July 2016	25,022	25,022
Amortisation		
At 1 August 2015	-	-
Charge for the year	-	-
At 31 July 2016	25,022	25,022
Net book value		
At 31 July 2016	25,022	25,022
At 31 July 2015	-	-

The intangible software asset was not available for use prior to year end and amortisation had not commenced in the year

9. TANGIBLE FIXED ASSETS

	Plant £	Improvements to short leasehold premises £	Motor vehicles £	Computer equipment £	Other equipment and fittings £	Total £
Cost						
At 1 August 2015	838,567	8,126,871	5,826	111,330	3,791,985	12,874,579
Additions	-	-	-	-	229,961	229,961
Transfers	-	(582,852)	-	-	582,852	-
Disposals	-	-	-	(8,807)	(64,066)	(72,873)
At 31 July 2016	838,567	7,544,019	5,826	102,523	4,540,732	13,031,667
Accumulated depreciation						
At 1 August 2015	724,234	1,808,992	5,826	89,393	2,639,038	5,267,483
Charge for the year	22,867	410,530	-	9,300	362,819	805,516
Transfers	-	(82,838)	-	-	82,838	-
Disposals	-	-	-	(8,807)	(64,066)	(72,873)
At 31 July 2016	747,101	2,136,684	5,826	89,886	3,020,629	6,000,126
Net book value						
At 31 July 2016	91,466	5,407,335	-	12,637	1,520,103	7,031,541
At 31 July 2015	114,333	6,317,879	-	21,937	1,152,945	7,607,094

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2016

10. STOCK

	2016	2015
	£	£
Raw material	20,546	20,338
Goods for resale	17,074	17,566
	<u>37,620</u>	<u>37,904</u>

There is no material difference between the balance sheet value of stock and their replacement cost.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	512,962	414,012
Amounts owed by parent undertaking	94,664	233,137
Other debtors	57,912	40,808
Prepayments and accrued income	125,335	133,274
	<u>790,873</u>	<u>821,231</u>

12. PROVISION FOR LIABILITIES
DEFERRED TAX

	2016	2015
	£	£
Deferred tax is provided as follows;		
Accelerated capital allowances	48,331	54,996
	<u>48,331</u>	<u>54,996</u>
Deferred tax		
At 1 August 2015	54,996	63,929
Credit to profit and loss (note 7)	(6,665)	(8,933)
	<u>48,331</u>	<u>54,996</u>
At 31 July 2016	48,331	54,996

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	778,962	460,268
Amounts owed to parent undertaking	1,625,391	615,705
Amounts due to fellow subsidiaries	48,044	26,897
Other taxation and social security	407,561	497,783
Other creditors	106,423	209,811
Accruals and deferred income	157,867	143,682
	<u>3,124,248</u>	<u>1,954,146</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2016

14. CALLED UP SHARE CAPITAL

	2016 £	2015 £
Allotted and fully paid		
8,000,000 ordinary shares of £1 each	8,000,000	8,000,000
Capital Reduction – Transfer to Reserves	(2,000,000)	-
6,000,000 (2015: 8,000,000) ordinary shares of £1 each	<u>6,000,000</u>	<u>8,000,000</u>

During the year the company carried out a capital reduction and reduced its share capital by £2,000,000 which was transferred to retained earnings

15. FINANCIAL COMMITMENTS

(a) Operating lease commitments

At 31 July 2016, the company had total commitments under non-cancellable operating leases as follows:

	Land and Buildings 2016 £	Other 2016 £	Land and Buildings 2015 £	Other 2015 £
Leases which expire:				
within one year	745,000	76,722	720,000	104,950
between one and five years	3,725,000	5,071	3,600,000	81,793
after five years	19,791,250	-	20,186,250	-
	<u>24,261,250</u>	<u>81,793</u>	<u>24,506,250</u>	<u>186,743</u>

(b) Capital commitments

The company had £207,425 of capital commitments authorised and contracted as at July 2016 (2015: £78,088).

16. PENSION SCHEMES

The company contributes to a defined contribution pension scheme on behalf of certain employees. Contributions payable by the company to this scheme amounted to £129,333 (2015: £125,955).

17. ULTIMATE PARENT ORGANISATION

The company is a wholly owned subsidiary of Loughborough University, which is regarded as the ultimate parent organisation and controlling party. The group of which Loughborough University is the parent organisation forms both the largest and smallest group preparing consolidated financial statements which include Imago@Loughborough Limited.

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

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by FRS 102 not to disclose transactions with other wholly owned group companies, being a 100% owned subsidiary of Loughborough University.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2016

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2016 £	2015 £
(Loss)/profit for the financial year	(862,306)	353,611
Net (decrease)/increase in shareholders funds	(862,306)	353,611
Opening shareholder's funds	8,000,001	7,646,390
Closing shareholder's funds	<u>7,137,695</u>	<u>8,000,001</u>

20. RESERVES

	Profit and loss account £
At 1 August 2015	1
Loss for the year	(862,306)
Capital reduction transfer to reserves	2,000,000
At 31 July 2016	<u>1,137,695</u>

21. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 July 2015 and the date of transition to FRS 102 was therefore 1 August 2014. As a result of transition to FRS 102 there were no material adjustments to equity or profit and loss for the year to 31 July 2015.

ADDITIONAL INFORMATION (UNAUDITED)

The additional information, which comprises the detailed profit and loss account and the related notes 1 and 2 have been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditor's report thereon.

DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 July 2016

	Note	2016 £	2015 £
TURNOVER	1	10,089,193	9,588,611
Costs and expenses			
Building costs		1,380,637	1,311,462
Human resources (incl staff training)		3,562,182	3,454,921
Other operating costs		1,888,771	1,921,496
General administration costs		63,333	63,339
Sales and marketing		514,469	473,106
Energy costs		244,773	295,054
Maintenance costs		724,663	695,821
Depreciation		805,514	575,735
	2	<u>(9,188,342)</u>	<u>(8,790,934)</u>
NET PROFIT FOR THE YEAR BEFORE GIFT AID AND TAXATION		<u>900,851</u>	<u>797,677</u>

DETAILED PROFIT AND LOSS ACCOUNT
Year ended 31 July 2016

		2016	2015
	£	£	£
1. INCOME			
Rooms	4,983,315	4,642,889	
Food and beverage	4,085,938	4,132,730	
Telephone	62,082	55,747	
Leisure club	278,488	288,745	
Events and marketing	624,453	441,576	
Other operating income	54,917	26,924	
		<u>10,089,193</u>	<u>9,588,611</u>
	£	2016	2015
	£	£	£
2. COSTS AND EXPENSES			
Gift shop purchases	8,377	6,946	
Food and beverage	1,127,621	1,221,722	
Events and facilities	337,714	290,991	
Telephone and fax	15,539	21,639	
Energy costs	244,773	295,054	
Marketing	173,359	180,749	
Wages and salaries	3,383,593	3,314,514	
Pension costs	129,333	125,955	
Legal and professional	9,311	233	
Audit and accountancy	7,725	7,650	
Printing and stationery	18,633	18,653	
Subscriptions and publications	7,387	6,165	
Computer software and maintenance	102,050	96,185	
General maintenance	575,790	522,028	
Equipment hire and maintenance	101,731	77,608	
Entertaining	3,395	1,366	
General office costs	14,187	14,168	
Other operating costs	501,587	504,859	
Bank charges and interest	(5,448)	(5,170)	
Rent	1,236,735	1,174,231	
Rates	125,490	122,198	
Insurance	18,412	15,033	
Depreciation	805,516	575,735	
Staff training	28,256	14,452	
Other staff costs	66,523	42,029	
Travelling expenses	27,797	29,478	
TV rental	118,026	115,837	
Bad debts	4,930	709	
Loss on disposal of fixed assets	-	(83)	
		<u>(9,188,342)</u>	<u>(8,790,934)</u>