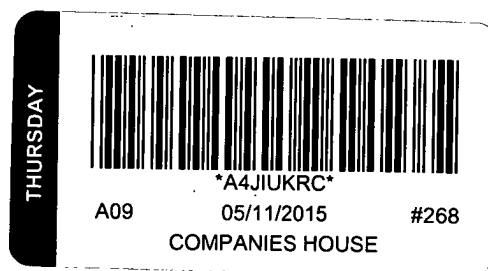


IMAGO@LOUGHBOROUGH LIMITED

Annual Report and Financial Statements

Year ended 31 July 2015



ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

CONTENTS	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7
Additional information (unaudited)	15

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, 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 8% (2014: 9%).

The proportion of Human Resources costs of turnover is 36 % (2014: 31%).

The profit after corporation tax of £353,611 (2014: loss £175,987) has been transferred to reserves. This profit for the year is after a charge to the profit and loss account in respect of Gift Aid of £309,042 (2014: £1,149,271). No dividends were paid in the year (2014 £nil).

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 6, 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 11.

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 observed and managed.

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

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

Credit risk arises is primarily attributable to its 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 E England

Director

27/10/15

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2015.

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 made a profit of £488,635 before tax and has net assets of £8m. In addition the company's parent, 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 3 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
Mrs K E England
Mr R S Taylor
Mr J W Murphy
Mr L J McCarthy

COMPANY SECRETARY

Mr A P Stephens

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). 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed 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.

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



Kay E England

Director

27/10/15

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 2015 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 18. 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).

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

30 October 2015

IMAGO@LOUGHBOROUGH LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 July 2015

	Note	2015 £	2014 £
TURNOVER	2	9,588,611	10,630,974
Cost of sales		(1,851,021)	(2,894,702)
Gross profit		7,737,590	7,736,272
Administrative expenses		(6,948,830)	(6,805,102)
OPERATING PROFIT	4	788,760	931,170
Interest receivable and similar income		8,917	8,855
Interest payable and similar charges	5	-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE GIFT AID AND TAXATION		797,677	940,025
Gift aid to Loughborough University	6	(309,042)	(1,149,271)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		488,635	(209,246)
Taxation on profit / (loss) on ordinary activities	6	(135,024)	33,259
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	17,18	353,611	(175,987)

There have been no recognised gains or losses, or movements in shareholder's funds for the current or prior year other than those shown in the profit and loss account above.

All activities derived from continuing operations.

IMAGO@LOUGHBOROUGH LIMITED

BALANCE SHEET 31 July 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	7	7,607,094	7,981,504
CURRENT ASSETS			
Stocks	8	37,904	40,228
Debtors	9	821,231	1,032,281
Cash at bank and in hand		1,542,914	1,601,266
		<u>2,402,049</u>	<u>2,673,775</u>
CREDITORS: amounts falling due within one year	11	<u>(1,954,146)</u>	<u>(2,944,960)</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>447,903</u>	<u>(271,185)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,054,997</u>	<u>7,710,319</u>
Provision for liabilities	10	<u>(54,996)</u>	<u>(63,929)</u>
NET ASSETS		<u>8,000,001</u>	<u>7,646,390</u>
CAPITAL AND RESERVES			
Called up share capital	12	8,000,000	8,000,000
Profit and loss account	18	1	(353,610)
TOTAL EQUITY SHAREHOLDER'S FUNDS	17	<u>8,000,001</u>	<u>7,646,390</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



Kay E England
Director

27/10/15

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2015

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

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.

The accounting policies have been applied consistently in both the current and preceding years.

Going concern

The directors believe that the company will continue with its current business. The company made a profit of £488,635 before tax and has net assets of £8m. In addition the company's parent, 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.

Accounting convention

The financial statements are prepared under the historical cost convention.

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 Financial Reporting Statement 1 "cash flow statements".

Related party transactions

The company has taken advantage of the option not to disclose transactions with other group undertakings conferred by FRS8 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 of an element of its taxable profits.

Operating leases

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

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2015

1 ACCOUNTING POLICIES (CONTINUED)

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. 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 profit, 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 year end to accrue for the income earned before year end. Income from bars is recognised on the day the cash takings are recorded.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2015	2014
	£	£
Directors' remuneration		
Emoluments	81,073	80,531
Payments made to defined contribution pension scheme	6,983	6,983
	<u>88,056</u>	<u>87,514</u>

One director (2014 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.

One director (2014 one director) is a member of the defined contribution pension scheme.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2015

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

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

Average number of persons employed	2015 Number	2014 Number
Management	5	5
Administration	20	20
Production	122	115
	<u>147</u>	<u>140</u>
Staff costs during the year (including directors)		£
Wages and salaries	3,108,573	2,977,762
Social security costs	205,941	189,175
Pension costs	125,955	112,352
	<u>3,440,469</u>	<u>3,279,289</u>

4. OPERATING PROFIT

	2015 £	2014 £
Operating profit is stated after charging:		
Depreciation of owned assets	575,733	587,512
Fees payable to the company's auditor for the audit of the company's annual financial statements	7,650	7,500
Operating lease payments		
- land and buildings	1,085,950	1,066,459
- equipment and fittings	108,324	106,239
(Profit) / loss on disposal of fixed assets	<u>(83)</u>	<u>2</u>

No non audit fees were paid in the current or prior year.

5. INTEREST PAYABLE

	2015 £	2014 £
Other interest	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2015

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

	2015 £	2014 £
Deferred tax		
Reversal of timing differences - note 10	(8,933)	(33,259)
Tax on loss on ordinary activities	<u>(8,933)</u>	<u>(33,259)</u>

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

	2015 £	2014 £
Profit / (loss) on ordinary activities before taxation	488,635	(209,246)
Tax on profit / (loss) on ordinary activities at 20.67 % (2014: 22.33%)	101,001	(46,725)
Expenses not deductible for tax purposes	282	287
Capital allowances less than depreciation	42,657	46,438
Loss on disposal of fixed assets	17	-
Total actual amount of current tax	<u>143,957</u>	<u>-</u>

In the prior year there was no tax charge as the company donated by gift aid all taxable profits to Loughborough University.

Factors affecting the tax credit

Under Finance Act 2013, the main rate of corporation tax was reduced to 20% with effect from 1 April 2015, this being substantively enacted on 2 July 2013. Current tax has therefore been calculated at 20.67%.

The UK Budget on 8 July 2015 announced additional proposals to reduce the mainstream rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. Neither rate was substantively enacted at the balance sheet date and as such deferred tax is measured at 20% in these financial statements.

	2015 £	2014 £
Gift Aid Calculation		
Charge in the year	<u>309,042</u>	<u>1,149,271</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2015

7. TANGIBLE FIXED ASSETS

	Plant £	Improvements to short leasehold premises £	Motor vehicles £	Computer equipment £	Other equipment and fittings £	Total £
Cost						
At 1 August 2014	838,567	8,126,871	5,826	102,854	3,769,690	12,843,808
Additions	-	-	-	11,970	189,355	201,325
Disposals	-	-	-	(3,494)	(167,060)	(170,554)
At 31 July 2015	838,567	8,126,871	5,826	111,330	3,791,985	12,874,579
Accumulated depreciation						
At 1 August 2014	695,650	1,636,271	5,826	84,625	2,439,932	4,862,304
Charge for the year	28,584	172,721	-	8,262	366,166	575,733
Disposals	-	-	-	(3,494)	(167,060)	(170,554)
At 31 July 2015	724,234	1,808,992	5,826	89,393	2,639,038	5,267,483
Net book value						
At 31 July 2015	114,333	6,317,879	-	21,937	1,152,947	7,607,096
At 31 July 2014	142,917	6,490,600	-	18,229	1,329,758	7,981,504

8. STOCKS

	2015 £	2014 £
Raw material	20,338	23,699
Goods for resale	17,566	16,529
	37,904	40,228

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

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	414,012	682,077
Amounts owed by parent undertaking	233,137	191,795
Other debtors	40,808	35,804
Prepayments and accrued income	133,274	122,605
	821,231	1,032,281

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2015

10. PROVISION FOR LIABILITIES

DEFERRED TAX

	2015	2014
	£	£
Deferred tax is provided as follows;		
Accelerated capital allowances	54,996	63,929
	<u>54,996</u>	<u>63,929</u>
Deferred tax		
At 1 August 2014	63,929	97,188
Credit to profit and loss – note 6	(8,933)	(33,259)
	<u>54,996</u>	<u>63,929</u>
At 31 July 2015	<u>54,996</u>	<u>63,929</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	460,268	516,874
Amounts owed to parent undertaking	615,705	1,781,231
Amounts due to fellow subsidiaries	26,897	27,678
Other taxation and social security	497,783	384,052
Other creditors	209,811	106,319
Accruals and deferred income	143,682	128,806
	<u>1,954,146</u>	<u>2,944,960</u>

12. CALLED UP SHARE CAPITAL

	2015	2014
	£	£
Allotted and fully paid		
8,000,000 ordinary shares of £1 each	<u>8,000,000</u>	<u>8,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2015

13. FINANCIAL COMMITMENTS

(a) Operating lease commitments

At 31 July 2015, the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 2015 £	Other 2015 £	Land and Buildings 2014 £	Other 2014 £
Leases which expire:				
Within one year	-	183	-	-
Within one to two years	-	95,685	-	64,301
Within two to five years	-	9,082	-	40,819
After five years	1,085,950	-	1,063,750	-
	<u>1,085,950</u>	<u>104,950</u>	<u>1,063,750</u>	<u>105,120</u>

(b) Capital commitments

The company had £78,088 of capital commitments authorised and contracted as at 31 July 2015 (2014: £108,500).

14. 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 £125,955 (2014: £112,352).

15. 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.

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by Financial Reporting Standard 8 not to disclose transactions with other wholly owned group companies, being a wholly owned subsidiary of Loughborough University.

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2014 £	2013 £
Profit/(loss) for the financial year	<u>353,611</u>	<u>(175,987)</u>
Net increase / (decrease) to shareholder's funds	353,611	(175,987)
Opening shareholder's funds	<u>7,646,390</u>	<u>7,822,377</u>
Closing shareholder's funds	<u>8,000,001</u>	<u>7,646,390</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 July 2015

18. RESERVES

	Profit and loss account £
At 1 August 2014	(353,610)
Profit for the year	353,611
	<hr/>
At 31 July 2015	1
	<hr/> <hr/>