

Registered number: SO301861

INTO SCOTLAND LLP
MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

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INTO SCOTLAND LLP

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INTO SCOTLAND LLP

General information

Designated Members

GCU INTO Limited
Newincco 821 Limited

Management board

Professor P Gillies
Mr G Jack
Mr G Milne
Ms B White
Mr D Cambridge
Mrs E Mahmoud

Registered office

Glasgow Caledonian University
The Britannia Building City Campus
Cowcaddens Road
Glasgow
Strathclyde
G4 0BA

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

INTO SCOTLAND LLP

Strategic report for the year ended 31 July 2016

The managing board of members ('management board') present their strategic report of the Limited Liability Partnership ('LLP') for the year ended 31 July 2016.

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 an International Student Centre on the campus of Glasgow Caledonian University.

Student recruitment has increased with regards to the number of students recruited compared to the prior year, however the mix of the courses they have been recruited on has slightly changed, which growth in English Language courses and part times which are less profitable. Due to the mix of courses undertaken, the Centre has also experienced a drop in the number of residential accommodation required, which has also impacted revenue and profits.

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	2016	2015	Comment
(Decrease)/Increase in turnover (%)	(13%)	13%	Despite the increase in the number of students recruited, due to the a shift in the mix of students with a drop in Academic enrolments in the year and growth in English language students recruited, this has seen a decline in the overall turnover
Gross profit margin (%)	49%	55%	A drop in Tuition revenue, an increase in delivery costs and reduced accommodation level have seen a drop in Gross Profit achieved.
Average student numbers	174	158	The average number of students undertaking courses in the year under review has seen an increase driven by greater English language students recruited.

Principal risks and uncertainties

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

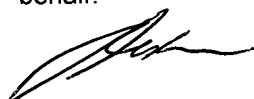
- Competitor activity within the UK and overseas;
- Economic downturn in key regions;
- War, civil disturbance and epidemics in key recruiting regions;
- Government policy, particularly around immigration and visa restrictions; and
- Increase in the UK cost of living and exchange rate.

The committee actively manages these risks on an ongoing basis through regular review of their potential impact on the company

Future developments

The members will continue to focus on Governments, Institutional Links and Sponsorship to capitalise on steady stream of students from those regions and disciplines where recruitment needs to expand. Along with this new programmes are being developed, with the launch of new products into the market being scheduled to take place in autumn 2016 for the January 2017 enrolment.

This report was approved by the management board on 6 FEBRUARY 2017 and signed on its behalf.



John Sykes

On behalf of the Designated Members

INTO SCOTLAND LLP

Members' report for the year ended 31 July 2016

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 2016.

Legal structure

The LLP is incorporated under the Limited Liability Partnership Act 2000 and is wholly owned by its corporate members, Newincco 821 Limited and GCU INTO 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 board during the year and up to the date of approval of these financial statements were:

Professor P Gillies	(on behalf of GCU INTO Limited)
Mr G Jack	(on behalf of GCU INTO Limited)
Mr G Milne	(on behalf of GCU INTO Limited)
Mr A Colin	(on behalf of Newincco 821 Limited) - Retired 18 th March 2016
Alan Preece	(on behalf of Newincco 821 Limited) - Retired 18 th March 2016
Bridget White	(on behalf of Newincco 821 Limited) – Appointed 18 th March 2016
Dean Cambridge	(on behalf of Newincco 821 Limited) – Appointed 18 th March 2016
Mrs E Mahmoud	(on behalf of Newincco 821 Limited)

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

Results and distributions

The loss for the financial year was £117,810 (2015: Profit of £7,995).

Transition to FRS 102

This is the first year that the LLP has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 July 2015 and the date of transition was therefore 1 August 2014, being the first day of the comparative period. Effects of the transition are minimal to the LLP, see Note 10 for further details.

Financial instruments

The LLP does not actively use financial instruments as part of its financial risk management. 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 or liquidity risk.

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Policy with respect to member's drawings and the subscription and repayment of member's capital

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. Members will subscribe new capital in accordance with the business needs and cash flow.

This report was approved by the management board on **6 FEBRUARY 2017** and signed on its behalf.



John Sykes

On behalf of the Designated Members

INTO SCOTLAND 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 regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with United Kingdom Companies Act 2006 and Financial Reporting Standard (FRS 102). Under company law as applied to limited liability partnerships the members 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members 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 partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Financial Reporting Standard 102 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

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

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

Independent auditors

The auditors, PricewaterhouseCoopers 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 6 FEBRUARY 2017 and signed on its behalf.



John Sykes

On behalf of the Designated Members

INTO SCOTLAND LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTO SCOTLAND LLP

Our opinion

In our opinion, Into Scotland LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the limited liability partnership'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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 July 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of Members' Responsibilities, in respect of financial statements set out on page 5, the members 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

INTO SCOTLAND LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTO SCOTLAND LLP (continued)

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Simon O'Brien (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 6 FEBRUARY 2017

INTO SCOTLAND LLP

Statement of Comprehensive Income for the year ended 31 July 2016

	Note	Year ended 31 July 2016	Year ended 31 July 2015
		£	£
Turnover		3,054,985	3,501,593
Cost of sales		(1,558,541)	(1,566,507)
Gross profit		1,496,444	1,935,086
Net operating expenses		(1,609,254)	(1,922,091)
Operating (loss)/profit	1	(112,810)	12,995
Interest payable	3	(5,000)	(5,000)
(Loss)/profit for the financial year before members' remuneration and profit shares available for discretionary division amongst members		(117,810)	7,995

All amounts relate to continuing operations.

There is no other comprehensive income arising in the LLP (2015: nil) and therefore no separate statement of comprehensive income has been presented.

There is no material difference between the profit for the financial year before members' remuneration and profit shares available for discretionary division among members stated above and their historical cost equivalents.

The notes on pages 11 to 18 form part of these financial statements

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Balance sheet

as at 31 July 2016

Registered number: OC323693

	Note	2016	2016	2015	2015
		£	£	£	£
Fixed assets					
Intangible assets	4		227,688		245,350
Tangible assets	5		26,502		22,552
Current assets					
Debtors	6	1,450,048		1,096,614	
Cash at bank and in hand		67,746		752,402	
		1,517,795		1,849,016	
Creditors: amounts falling due within one year	7	(2,181,761)		(2,408,885)	
Net current liabilities			(663,967)		(559,869)
Total assets less current liabilities			(409,777)		(291,967)
Net members deficit			(409,777)		(291,967)
Represented by:					
Loans and other debts due to members	8		200,000		200,000
Members' other interests:					
Members' capital	8		300,907		300,907
Other reserves	8		(910,684)		(792,874)
Total members' interests			(409,777)		(291,967)

The financial statements on pages 8 to 18 were approved by the Members on 6 Feb 2017 and signed on their behalf by:



John Sykes

On behalf of the Designated Members

The notes on pages 11 to 18 form part of these financial statements

INTO SCOTLAND LLP

Statement of changes in equity for the year ended 31 July 2016

	Share capital £	Member Loans £	Reserves £	Total £
As at 1 August 2014	300,907	200,000	(800,869)	(299,962)
Profit for the financial year	-	-	7,995	7,995
As at 31 July 2015	300,907	200,000	(792,874)	(291,967)
Loss for the financial year	-	-	(117,810)	(117,810)
As at 31 July 2016	300,907	200,000	(910,684)	(409,777)

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Notes to the financial statements for the year ended 31 July 2016

Principal accounting policies

Basis of preparation

The following accounting policies have been applied consistently in both the current and preceding years in dealing with items which are considered material in relation to the LLP's financial statements. These financial statements are prepared on the historical cost basis in accordance with applicable United Kingdom accounting standards, including The Financial Reporting Standard ('FRS 102'), Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP).

The financial statements are presented in Pounds Sterling (£) because that is the currency of the primary economic environment in which the LLP operates.

This is the first year in which the financial statements have been prepared under FRS 102. Please see Note 10 for an explanation of transition to FRS 102.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the partnership will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The LLP currently relies upon funding from its members. The managing board of members have received confirmation from Glasgow Caledonian University and INTO University Partnerships Limited, who control the designated members that they will continue to support the activities of the LLP for a period of at least 12 months from the date of approval of these financial statements.

After reviewing the LLP's cash flow forecasts and projections, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. The LLP therefore continues to adopt the going concern basis in preparing its financial statements.

Cash flow statement

The members have adopted the Companies Act 2006 disclosure exemption "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

The disclosure of computer software was previously treated as a tangible fixed asset under previous UK GAAP, but under FRS 102 it is now disclosed as an intangible asset.

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.

Computer Software	-	15% straight line
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Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. 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:

Fixtures, fittings & equipment	-	20% straight line
Computer equipment	-	25% straight line
Office equipment	-	20% straight line

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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 attributable to the current accounting period, net of any discounts. The cost of any fees waived are deducted from 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 profit and loss account when they become payable.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

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.

Where profits are divided such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and loss account and are equity appropriations in the Balance sheet.

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 Profit and loss account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance sheet within 'Members' other interests'.

Loans to members would rank last in relation to other unsecured creditors in the event of a winding up.

Distribution of profits and losses

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 member's current accounts with the LLP as soon as

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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 Scotland 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.

Critical accounting judgements and key sources of estimation

In the application of the Partnership'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 4 and 5 for the carrying amount and Principles of Accounting for the useful economic lives for each class of assets.

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Notes to the financial statements for the year ended 31 July 2016 (continued)

1 Operating loss

The operating loss is stated after charging:

	2016	2015
	£	£
Amortisation of intangible assets	60,339	63,158
Depreciation of tangible assets	7,278	2,113
Operating lease charges – land and buildings	41,548	14,300
Auditors' remuneration		
- audit of the LLP's financial statements	21,000	14,000

2 Staff costs

Staff costs comprise:

	2016	2015
	£	£
Wages and salaries	722,292	758,777
Social security costs	64,068	65,158
Other pension costs	21,165	21,220
	807,525	845,155

The pension cost charge in the year amounting to £21,165 (2015: £21,220) represents contributions payable by the LLP into the Group INTO Pension Plan and Stakeholder Scheme. At the year-end there was £2,903 (2015: £3,566) contribution outstanding.

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

	2016	2015
	Number	Number
Teaching staff	26	23
Administration	23	26
	49	49

During the year, there were 2 (2015: 2) corporate members of the LLP.

3 Interest payable

	2016	2015
	£	£
Interest payable	5,000	5,000
	5,000	5,000

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Notes to the financial statements for the year ended 31 July 2016 (continued)

4 Intangible assets

	Computer Software
Cost	£
At 1 August 2015	581,668
Additions	42,677
At 31 July 2016	624,345
Accumulated Amortisation	
At 1 August 2015	336,318
Charge for the year	60,339
At 31 July 2016	396,657
Net book value	
At 31 July 2016	227,688
As at July 2015	245,350

The disclosure of computer software was previously treated as a tangible fixed asset under previous UK GAAP, but under FRS 102 it is now disclosed as an intangible asset.

5 Tangible assets

	Fixtures & fittings	Computer equipment	Office equipment	Total
	£	£	£	£
Cost				
At 1 August 2015	18,676	34,890	1,717	55,283
Additions	11,996	-	-	11,996
Reclassification adj	-	(1,066)	-	(1,066)
At 31 July 2016	30,672	33,824	1,717	66,213
Accumulated Depreciation				
At 1 August 2015	3,701	27,352	1,678	32,731
Charge for the year	4,903	2,286	39	7,228
Depreciation on adj	-	(248)	-	(248)
At 31 July 2016	8,604	29,390	1,717	39,711
Net book value				
At 31 July 2016	22,068	4,434	0	26,502
At 31 July 2015	14,975	7,538	39	22,552

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Notes to the financial statements for the year ended 31 July 2016 (continued)

6 Debtors

	2016	2015
	£	£
Due within one year:		
Trade debtors	1,260,600	918,272
Amounts owed by group undertakings	10,121	70,339
Other debtors	24,422	8,813
Prepayments and accrued income	154,905	99,190
	1,450,048	1,096,614

Amounts owed by group undertakings includes £nil (2015: £70,339) due from Glasgow Caledonian University and £10,121 (2015: £nil) due from INTO Stirling Scotland.

7 Creditors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade creditors	114,633	133,605
Amounts owed to group undertakings	608,066	674,190
Taxation and social security	19,884	17,890
Other creditors	323,348	312,006
Accruals and deferred income	1,115,830	1,257,299
	2,181,761	2,394,990

Amounts owed to group undertakings includes £573,536 (2015: £670,083) due to INTO University Partnerships Limited, £26,617 (2015: £nil) due to INTO China Limited, £7,665 (2015: £nil) due to IUP Asia Limited and £204 (2015: £nil) due to Glasgow Caledonian University. All amounts are unsecured and repayable on demand.

8 Members' interests

	Members Loans	Members' capital (classified as equity)	Other reserves	Total members' interests
	£	£	£	£
At 1 August 2015	200,000	300,907	(792,874)	(291,967)
Loss for the financial year before members' remuneration and profit shares available for discretionary division amongst members	-	-	(117,810)	(117,810)
As at 31 July 2016	200,000	300,907	(910,684)	(409,777)

Loans and other debts due to members would rank after all other unsecured creditors in the event of a winding up.

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Notes to the financial statements for the year ended 31 July 2016 (continued)

9 Ultimate controlling party and related party transactions

The LLP is jointly controlled by Newincco 821 Limited and GCU INTO Limited, both of which are incorporated in the United Kingdom. Newincco 821 Limited is controlled by INTO University Partnerships Limited and ultimately controlled by Andrew Colin. GCU INTO Limited is ultimately controlled by the Glasgow Caledonian University.

During the year INTO Scotland LLP was charged £986,235 (2015: £919,181) for operating costs in the normal course of business by INTO University Partnerships Limited and in turn charged costs of £nil (2015: £nil) to INTO University Partnerships Limited.

During the year INTO Scotland LLP was charged £111,777 (2015: £87,126) for operating costs in the normal course of business by Glasgow Caledonian University and in turn charged costs of £106,994 (2015: £77,075) to Glasgow Caledonian University.

Additional information regarding amounts due to and from related undertakings are provided in notes 6, and 7.

10 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 was therefore 1 August 2014, being the first day of the comparative period

Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 July 2015 between UK GAAP as previously reported and FRS 102.

Intangible fixed assets

The disclosure of computer software was previously treated as a tangible fixed asset under previous UK GAAP, but under FRS 102 it is now disclosed as an intangible asset.

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years, on a straight line basis.

Computer software, with a net book value of £245,350 at 1 August 2015, has been reclassified from tangible to intangible assets as required under FRS 102. This has no effect on the company's net assets nor on the profit for the year, except that the previous depreciation charge is now described as amortisation

Employee short term benefits – Holiday Pay

The company provides a range of benefits to employees, including paid holiday arrangements and pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

INTO SCOTLAND LLP

Notes to the financial statements for the year ended 31 July 2016 (continued)

Employee short term benefits – Holiday Pay (continued)

Total equity	31 July 2016	31 July 2015	1 August 2014
	£	£	£
UK GAAP as previously reported	(398,043)	(278,072)	(289,464)
Holiday pay accrual	(11,734)	(13,895)	(10,498)
FRS 102 Restated equity	(409,777)	(291,967)	(299,962)

Profit for the financial year	31 July 2015
	£
UK GAAP as reported	11,392
Holiday pay	(3,397)
Total comprehensive income under FRS102	7,995

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the company recognising a liability for holiday pay of £13,895 in the year to 31 July 2015. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 31 July 2016 the liability at 31 July 2016 was £11,734. A credit of £2,161 was recognised in the profit and loss account for the year ended 31 July 2016.