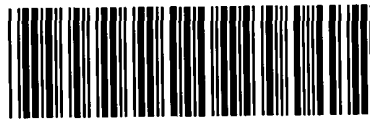


Futureworks Training Limited
Filleted Financial Statements
31 August 2017

THURSDAY



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31/05/2018
COMPANIES HOUSE

LEONHERMAN
Chartered accountant & statutory auditor
7 Christie Way
Christie Fields
Manchester
M21 7QY

Futureworks Training Limited

Financial Statements

Year ended 31 August 2017

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Futureworks Training Limited

Directors' Responsibilities Statement

Year ended 31 August 2017

The directors are responsible for preparing the directors' 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 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;
- 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.

Futureworks Training Limited

Statement of Financial Position

31 August 2017

	Note	2017 £	£	Restated 2016 £
Fixed assets				
Intangible assets	6		137,261	40,683
Tangible assets	7		519,396	580,181
			<u>656,657</u>	<u>620,864</u>
Current assets				
Debtors	8	407,031		390,303
Cash at bank and in hand		468,737		344,154
		<u>875,768</u>		<u>734,457</u>
Creditors: amounts falling due within one year	9	620,050		662,094
Net current assets			<u>255,718</u>	<u>72,363</u>
Total assets less current liabilities			<u>912,375</u>	<u>693,227</u>
Creditors: amounts falling due after more than one year	10		4,146,138	3,985,626
Provisions				
Taxation including deferred tax			15,108	17,366
Net liabilities			<u>(3,248,871)</u>	<u>(3,309,765)</u>
Capital and reserves				
Called up share capital			1,500	1,500
Profit and loss account			(3,250,371)	(3,311,265)
Shareholders deficit			<u>(3,248,871)</u>	<u>(3,309,765)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the income statement has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 30 May 2018, and are signed on behalf of the board by:


Mr C Mayo
Director

Company registration number: 06032686

The notes on pages 3 to 10 form part of these financial statements.

Futureworks Training Limited

Notes to the Financial Statements

Year ended 31 August 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Aldine House, New Bailey Street, Manchester, M3 5FS.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. General information

The company is a private company limited by share capital incorporated in England & Wales.

The address of its registered office is:

Aldine House,
New Bailey Street,
Manchester,
M3 5FS

Principal Activity

The principal activity of the company during the year is the provision of technical and vocational higher education.

4. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, in accordance with the accounting policies set out below.

The financial statements are prepared in sterling, which is the functional currency of the entity. On transition to FRS 102 the company has taken advantage of the exemption under FRS 102 section 35.10 (p) in that lease incentives for leases entered into before the date of transition shall continue to be recognised on the same basis that was applied at the date of transition.

Futureworks Training Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

4. Accounting policies *(continued)*

Going concern

Notwithstanding shareholders deficit of £3,248,871 (2016 - £3,309,765), the company has continued to grow in the year with increasing student numbers resulting in increasing turnover. The cash position of the company is closely monitored and forecasts are in place to project the future cash position of the company. The company has improved its cash position and the directors believe the company has sufficient resources to be able to trade for the foreseeable future. The company has continued to trade profitably in the year and the directors and shareholders are forecasting the company to continue to trade profitably. The directors and shareholders have confirmed they will continue to support the company for the foreseeable future. As with any company placing reliance on the promise for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approving the financial statements, the directors have no reason to believe that the shareholders will not continue to provide support to the business as required.

The current agreements with UCLAN & Office for Students expire in the summer of 2018 and negotiations to renew these are currently ongoing. The directors fully expect these agreements to be renewed for the foreseeable future.

Based on this understanding, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments which would result from the basis of preparation being inappropriate.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 September 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 14.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimations and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below:

(1) Useful economic lives of tangible assets

The annual depreciation charge for tangible asset is sensitive to changes in the estimated useful lives. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technical advancement. See amortisation policy for useful economic lives of each class of assets.

(2) Useful economic lives of intangible assets

The annual amortisation charge for intangible asset is sensitive to changes in the estimated useful lives. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technical advancement. See amortisation policy for useful economic lives of each class of assets.

Futureworks Training Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

4. Accounting policies *(continued)*

Revenue recognition

Turnover represents the total invoice value, excluding VAT, of sales made during the year and derives from the provision of services falling within the company's ordinary activities.

Revenue from both private and degree courses is recognised based on performance over the period to which each course relates.

Income tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis with the exception of leases entered into pre transition to FRS 102. The aggregate benefit is included within creditors and is disclosed over the period to which it will be recognised and the comparative balance sheet has been adjusted between creditors due within one year and creditors due after more than one year to reflect this.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Futureworks Training Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

4. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Website is written off in equal instalments over its estimated useful life of 3 years

The intangible asset relating to degree awarding powers has not been amortised as the asset is not available for use at the balance sheet date. The asset relates to the costs of the company obtaining its own degree awarding powers which it is working towards.

Website - 33% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	Straight line over the life of the lease
Plant & Machinery	-	20% reducing balance
Fixtures & Fittings	-	33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Futureworks Training Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

4. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

5. Employee numbers

The average number of persons employed by the company during the year amounted to 31 (2016: 32).

6. Intangible assets

	Website costs £	Intangible asset £	Total £
Cost			
At 1 September 2016	45,768	–	45,768
Additions	–	–	–
Additions from internal developments	–	111,834	111,834
At 31 August 2017	<u>45,768</u>	<u>111,834</u>	<u>157,602</u>
Amortisation			
At 1 September 2016	5,085	–	5,085
Charge for the year	15,256	–	15,256
At 31 August 2017	<u>20,341</u>	<u>–</u>	<u>20,341</u>
Carrying amount			
At 31 August 2017	<u>25,427</u>	<u>111,834</u>	<u>137,261</u>
At 31 August 2016	<u>40,683</u>	<u>–</u>	<u>40,683</u>

Futureworks Training Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

7. Tangible assets

	Leasehold Property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 September 2016	743,328	656,680	201,856	1,601,864
Additions	20,929	15,324	3,679	39,932
At 31 August 2017	<u>764,257</u>	<u>672,004</u>	<u>205,535</u>	<u>1,641,796</u>
Depreciation				
At 1 September 2016	259,663	581,685	180,335	1,021,683
Charge for the year	74,068	16,099	10,550	100,717
At 31 August 2017	<u>333,731</u>	<u>597,784</u>	<u>190,885</u>	<u>1,122,400</u>
Carrying amount				
At 31 August 2017	<u>430,526</u>	<u>74,220</u>	<u>14,650</u>	<u>519,396</u>
At 31 August 2016	<u>483,665</u>	<u>74,995</u>	<u>21,521</u>	<u>580,181</u>

8. Debtors

	2017 £	2016 £
Other debtors	<u>407,031</u>	<u>390,303</u>

9. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	13,033	28,007
Trade creditors	432,856	408,744
Social security and other taxes	55,611	38,920
Other creditors	118,550	186,423
	<u>620,050</u>	<u>662,094</u>

The company's bank loan is secured by way of the following:-

- A debenture granted by Futureworks Training Limited.
- A joint guarantee totalling £450,000 from R Tyrell, A Doyle and C Mayo.
- Postponement of repayment of directors loans to R Tyrell of £2,738,387.

10. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	-	15,417
Other creditors	4,146,138	3,970,209
	<u>4,146,138</u>	<u>3,985,626</u>

Futureworks Training Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

10. Creditors: amounts falling due after more than one year *(continued)*

Included within creditors: amounts falling due after more than one year is an amount of £3,554,820 (2016: £Nil) in respect of liabilities payable or repayable otherwise than by instalments which fall due for payment after more than five years from the reporting date.

Included within creditors due after more than one year is £3,554,820 owing to R Tyrell, a director of the company. The loan is unsecured, interest free and repayable by the 30th September 2025.

The company's bank loan is secured by way of the following:-

- A debenture granted by Futureworks Training Limited.
- A joint guarantee totalling £450,000 from R Tyrell, A Doyle and C Mayo.
- Postponement of repayment of directors loans to R Tyrell of £2,738,387.

11. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	536,183	372,288
Later than 1 year and not later than 5 years	2,084,283	1,895,049
Later than 5 years	2,489,789	2,960,119
	5,110,255	5,227,456

12. Summary audit opinion

The auditor's report for the year dated 30 May 2018 was unqualified.

The senior statutory auditor was Michael Rigby FCCA, for and on behalf of Leonherman.

13. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2017			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr C Mayo	9,015	44,080	(48,069)	5,026
Mr A Doyle	17,500	15,000	(17,500)	15,000
	26,515	59,080	(65,569)	20,026

	2016			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr C Mayo	-	9,015	-	9,015
Mr A Doyle	-	17,500	-	17,500
	-	26,515	-	26,515

Futureworks Training Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

14. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 September 2015.

Reconciliation of equity

	1 September 2015			31 August 2016		
	As previously stated £	Effect of FRS 102 (as transition £	restated) £	As previously stated £	Effect of FRS 102 (as transition £	restated) £
Fixed assets	600,896	–	600,896	620,864	–	620,864
Current assets	489,419	–	489,419	734,457	–	734,457
Creditors:						
amounts falling due within one year	(882,697)	(1,323)	(884,020)	(657,848)	(4,246)	(662,094)
Net current assets	<u>(393,278)</u>	<u>(1,323)</u>	<u>(394,601)</u>	<u>76,609</u>	<u>(4,246)</u>	<u>72,363</u>
Total assets less current liabilities	207,618	(1,323)	206,295	697,473	(4,246)	693,227
Creditors:						
amounts falling due after more than one year	(3,598,260)	–	(3,598,260)	(3,985,626)	–	(3,985,626)
Provisions	–	(18,381)	(18,381)	–	(17,366)	(17,366)
Net liabilities	<u>(3,390,642)</u>	<u>(19,704)</u>	<u>(3,410,346)</u>	<u>(3,288,153)</u>	<u>(21,612)</u>	<u>(3,309,765)</u>
Capital and reserves	<u>(3,390,642)</u>	<u>(19,704)</u>	<u>(3,410,346)</u>	<u>(3,288,153)</u>	<u>(21,612)</u>	<u>(3,309,765)</u>

On transition to FRS102 an adjustment was made to adjust the accounting for lease incentives on leases entered into after the date of transition to FRS102, to provide for holiday pay accruals and to provide for deferred tax liabilities on transition to FRS 102. The effect of the adjustments made to transition to FRS 102 was to reduce capital and reserves by £21,612 at 31 August 2016 and to reduce the profit by £1,908 for the year ended 31 August 2016.