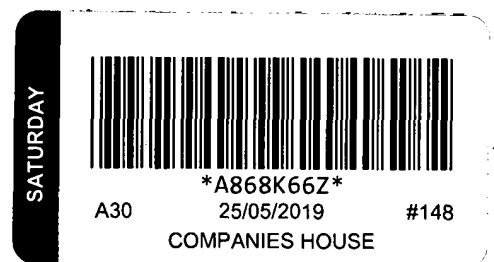


COMPANY REGISTRATION NUMBER: 06032686

**Futureworks Training Limited**  
**Filleted Financial Statements**  
**31 August 2018**



**LH HOLDINGS 2019 LIMITED**  
Chartered accountants & statutory auditor  
7 Christie Way  
Christie Fields  
Manchester  
M21 7QY

# Futureworks Training Limited

## Statement of Financial Position

31 August 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	6	264,532	137,261
Tangible assets	7	481,165	519,396
		<u>745,697</u>	<u>656,657</u>
<b>Current assets</b>			
Debtors	8	368,368	407,031
Cash at bank and in hand		308,735	468,737
		<u>677,103</u>	<u>875,768</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>798,581</u>	<u>620,050</u>
<b>Net current (liabilities)/assets</b>		<u>(121,478)</u>	<u>255,718</u>
<b>Total assets less current liabilities</b>		<u>624,219</u>	<u>912,375</u>
<b>Creditors: amounts falling due after more than one year</b>	10	4,018,514	4,146,138
<b>Provisions</b>			
Taxation including deferred tax		15,108	15,108
<b>Net liabilities</b>		<u>(3,409,403)</u>	<u>(3,248,871)</u>
<b>Capital and reserves</b>			
Called up share capital		1,500	1,500
Profit and loss account		(3,410,903)	(3,250,371)
<b>Shareholders deficit</b>		<u>(3,409,403)</u>	<u>(3,248,871)</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 statement of income and retained earnings has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The statement of financial position  
continues on the following page.

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

# Futureworks Training Limited

## Statement of Financial Position *(continued)*

31 August 2018

These financial statements were approved by the board of directors and authorised for issue on 22/5/2019, 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 2018

### 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 2018

### 4. Accounting policies *(continued)*

#### Going concern

Notwithstanding shareholders deficit of £3,409,403 (2017 - £3,248,871), the company has continued to retain positive cash reserves. A small reduction in Turnover together with increased cost, largely due to ongoing investment for future development, resulted in a loss for the year. The cash position of the company is closely monitored and forecasts are in place to project the future cash position of the company. The directors believe the company has sufficient resources to be able to trade for the foreseeable future. Post year end agreement was reached to reduce certain costs with positive impacts from 2019 onwards. The company also completed its Office for Student registration at an increased fee level. This will result in a fee increase to £9,250 (35%) for first year students in 2020 and all students by 2022 which will strengthen profitability. 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 confirmed both agreements were renewed post year end.

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.

#### 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 2018

### 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 2018

### 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.

#### Intangible asset

The intangible asset relates to the application for its own degree awarding powers.

Research expenditure is written off in the period in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

#### Tangible assets

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

# Futureworks Training Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 August 2018

### 4. Accounting policies *(continued)*

#### 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.

#### 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.



# Futureworks Training Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 August 2018

#### 5. Employee numbers

The average number of persons employed by the company during the year amounted to 34 (2017: 31).

#### 6. Intangible assets

	Website costs £	Intangible asset £	Total £
<b>Cost</b>			
At 1 September 2017	45,768	111,834	157,602
Additions	6,600	–	6,600
Additions from internal developments	–	137,988	137,988
<b>At 31 August 2018</b>	<u>52,368</u>	<u>249,822</u>	<u>302,190</u>
<b>Amortisation</b>			
At 1 September 2017	20,341	–	20,341
Charge for the year	17,317	–	17,317
<b>At 31 August 2018</b>	<u>37,658</u>	<u>–</u>	<u>37,658</u>
<b>Carrying amount</b>			
At 31 August 2018	<u>14,710</u>	<u>249,822</u>	<u>264,532</u>
At 31 August 2017	<u>25,427</u>	<u>111,834</u>	<u>137,261</u>

#### 7. Tangible assets

	Leasehold Property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 September 2017	764,257	672,004	205,535	1,641,796
Additions	18,466	46,211	6,232	70,909
Disposals	–	(5,310)	–	(5,310)
<b>At 31 August 2018</b>	<u>782,723</u>	<u>712,905</u>	<u>211,767</u>	<u>1,707,395</u>
<b>Depreciation</b>				
At 1 September 2017	333,731	597,784	190,885	1,122,400
Charge for the year	67,341	25,221	11,268	103,830
<b>At 31 August 2018</b>	<u>401,072</u>	<u>623,005</u>	<u>202,153</u>	<u>1,226,230</u>
<b>Carrying amount</b>				
At 31 August 2018	<u>381,651</u>	<u>89,900</u>	<u>9,614</u>	<u>481,165</u>
At 31 August 2017	<u>430,526</u>	<u>74,220</u>	<u>14,650</u>	<u>519,396</u>

#### 8. Debtors

	2018 £	2017 £
Other debtors	<u>368,368</u>	<u>407,031</u>

# Futureworks Training Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 August 2018

### 9. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	–	13,033
Trade creditors	456,280	432,856
Social security and other taxes	84,288	55,611
Other creditors	258,013	118,550
	<u>798,581</u>	<u>620,050</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

	2018	2017
	£	£
Other creditors	<u>4,018,514</u>	<u>4,146,138</u>

Included within creditors: amounts falling due after more than one year is an amount of £3,554,820 (2017: £3,554,820) 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 on or after 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:

	2018	2017
	£	£
Not later than 1 year	588,265	536,183
Later than 1 year and not later than 5 years	1,966,348	2,084,283
Later than 5 years	2,019,460	2,489,789
	<u>4,574,073</u>	<u>5,110,255</u>

### 12. Summary audit opinion

The auditor's report for the year dated 22 May 2019 was unqualified.

# Futureworks Training Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 August 2018**

**12. Summary audit opinion *(continued)***

The senior statutory auditor was Michael Rigby FCCA, for and on behalf of LH Holdings 2019 Limited.

**13. Directors' advances, credits and guarantees**

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

	<b>2018</b>			
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
Mr C Mayo	5,026	12,245	(5,064)	<b>12,207</b>
Mr A Doyle	15,000	-	(15,000)	-
	<u>20,026</u>	<u>12,245</u>	<u>(20,064)</u>	<u><b>12,207</b></u>

	<b>2017</b>			
	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
	<u>26,515</u>	<u>59,080</u>	<u>(65,569)</u>	<u>20,026</u>