

**Futureworks Training Limited**  
**Financial Statements**  
**31 August 2022**

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**LEONHERMAN**

Chartered accountants & statutory auditor  
7 Christie Way  
Christie Fields  
Manchester  
M21 7QY

# Futureworks Training Limited

## Financial Statements

Year ended 31 August 2022

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# **Futureworks Training Limited**

## **Officers and Professional Advisers**

**The board of directors**

Mr C Mayo  
Mr A Doyle  
Mrs R Tyrell  
Prof J S Brooks  
Prof R J Campbell  
Mrs G Arnold

**Company secretary**

Mr C Mayo

**Registered office**

Aldine House  
New Bailey Street  
Manchester  
M3 5FS

**Auditor**

Leonherman  
Chartered accountants & statutory auditor  
7 Christie Way  
Christie Fields  
Manchester  
M21 7QY

# Futureworks Training Limited

## Directors' Report

### Year ended 31 August 2022

The directors present their report and the financial statements of the company for the year ended 31 August 2022.

#### Directors

The directors who served the company during the year were as follows:

Mr C Mayo  
Mr A Doyle  
Mrs R Tyrell  
Prof J S Brooks  
Prof R J Campbell  
Mrs G Arnold

#### Other matters

#### Overview of Year

The year 2021/22 saw a satisfactory trading performance despite the ongoing challenges related to a growing cost environment. Operations and teaching are returning to normal post the COVID pandemic. Turnover improved while profitability was impacted by growing costs.

#### Financial Results

Total Income has increased to £3,832k from £3,766k in 2020/21.

Funding Body Grants was steady at £240k.

Total expenditure rose to £3,708k from £3,419k in 2020/21. This increase was a result of inflation, in particular in salary and building costs.

The company recorded a Net Profit of £128k in 2022/21, down on prior year.

#### Financial Future Outlook

Our recruitment figures for the new academic year are in line with expectations.

Updated forecasts indicate we will record another year of trading surplus but we continue to maintain a watchful overview on expenditure to ensure costs remain in line with projections.

#### Corporate Governance

Futureworks is committed to transparency and good governance in all its activities and strives to conduct its affairs in a responsible and transparent way. It has adopted the CUC Higher Education Code of Governance, which sets out the core values of good governance in Higher Education and the primary elements of governance that support those values. Governance of Futureworks is conducted according to the Seven Principles identified by the Nolan Committee on Standards in Public Life and follows the Public Interest Governance Principles established by the Office for Students.

#### 1. Governance Structure

The Board of Directors of Futureworks, as the governing body, has the ultimate responsibility for management of risk and ensuring the regularity and propriety of use of public funds. The Board is also responsible for the formulation of strategy and its implementation and has effectively discharged its responsibilities. Membership of the Board consists of 3 Independent Non-Executive Directors, one of whom is the Chair, 2 Executive Directors (who are also shareholders) and one shareholder Director (see below). To aid the Board it has approved three sub-committees under a Scheme of Delegation, i.e the Academic Board, Audit & Risk Assurance Committee and Nominations & Remuneration Committee.

# **Futureworks Training Limited**

## **Directors' Report** *(continued)*

### **Year ended 31 August 2022**

This structure is also supported by the Executive Team to which it has delegated certain responsibilities. This Scheme outlines the responsibilities delegated to the sub-committees and the reporting requirements to the Board

#### **Academic Board**

The Board of Directors established an Academic Board as the senior academic authority at Futureworks. Subject to the Articles of Association and the overall responsibility of the Board of Directors, the Academic Board is charged with acting as the overarching authority and decision-making body for all matters concerning academic strategies and policies, academic standards, curriculum design and development, the organisation of teaching, assessment and research and the overall quality of learning opportunities and student welfare. This committee members include Staff and Student representatives as well as one independent member.

#### **Executive Team**

The Executive Team is the senior management authority and has overall responsibility for the day-to-day management of the company and ensuring the development, implementation and monitoring of operational plans, policies, procedures, and budgets, across all schools and departments. This enables a clear distinction between the functions of governance (corporate and academic) and management. Reporting and communication lines between the key governance and management bodies ensure that there is an appropriate flow of information and accountability. Membership includes the Executive Directors, Vice-Principal and departments.

#### **Audit & Risk Assurance Committee**

The Audit and Risk Assurance Committee is responsible for reviewing the internal control, risk management, governance and audit arrangements and providing the Board with assurance on these items. The committee consists of an Independent Chair (see below), one Independent Director and two independent members. The Audit & Risk Assurance Committee has adopted the CUC HE Audit Committee Code of Conduct.

#### **Nominations & Remuneration Committee**

Members are independent non-executive directors and the Principal. The committee is responsible for leading the process of recruiting independent members for the board and its sub-committees, making recommendations to the Board on such appointments and making recommendations on pay arrangements for senior staff, including the principal.

The Board of Directors and the sub-committees meet regularly and have clearly defined responsibilities outlined in their Terms of Reference. Details of attendance at meetings is available on request and the minutes of both Board and ARAC meetings are published on the Futureworks Website. The sub-committees each provide the Board of Directors with an annual report. The Audit & Risk Assurance Committee annual report to the Board of Directors includes a review of the effectiveness of audit arrangements and risk management, control, and governance.

# Futureworks Training Limited

## Directors' Report *(continued)*

Year ended 31 August 2022

### 2. Board Members

The Board consists of 6 members, Gwyn Arnold (Ind), John Brooks (Ind), Rob Campbell (Ind. Chair), Alan Doyle, Chris Mayo and Renee Tyrrell.

#### Chris Mayo, Principal, Managing Director & Founder of Futureworks

Chris has operated within the higher education sector for more than 22 years in a career that has seen him work throughout Europe and America in various roles, including the first certified Pro Tools Expert Instructor in Europe, senior lecturer, and director of facilities. Chris is the founder of Futureworks and has been on the board since incorporation.

Prof. Rob Campbell, Independent Non-Executive Director and Chair of the Board Professor Campbell has worked in higher education for most of his career and was Pro-Vice-Chancellor (Academic) of the University of Bolton from 2010 to 2015. He is chair of the NHS Advisory Committee on Clinical Excellence Awards for the North West, Director of Quality Assurance at Finito Education and Chair of the United Kingdom College of Business and Computing's Advisory Board. Professor Campbell trained as a philosopher and has published books and articles on business ethics, jurisprudence, legal and social philosophy, medical ethics, and health policy. He is a Fellow of the Royal Society of Arts, the Royal Society of Medicine and Fellow and trustee of the National Forum for Health and Wellbeing.

#### Professor John Brooks, Independent Non-Executive Director

Professor Brooks was Vice-Chancellor of Manchester Metropolitan University from 2005 until 2015. He was also Vice-Chancellor of The University of Wolverhampton from 1998 until 2005 where he placed a strong emphasis on vocational education and providing HE opportunities to all. He maintains his interest in Higher Education as the Deputy Chair of The Open University as well as being a Director of Futureworks.

#### Gwyn Arnold, Independent Non-Executive Director

Following early career positions in local education authorities Gwyn had a full-time career in HE for 35 years, before retiring from her role as Registrar and Clerk to the Board of Governors at Manchester Metropolitan University in 2014. She has undertaken numerous consultancy roles in a variety of universities and for software companies that support HE and FE; was Interim University Secretary at the University of Bradford; and has also been a Trustee Board Member for the SHU Students Union. She is currently a Governor at The Sheffield College and has been a Governor / Non-executive director at Futureworks since 2017.

#### Alan Doyle, Finance Director

Alan joined the board of Futureworks at incorporation and has been a shareholder and Director continuously since then. He previously worked in the finance sector and has nearly 30 years' experience in the European banking and finance market where he previously led teams in the corporate and syndicated loan markets.

#### Ben Norris, Vice-Principal & Clerk to the Board

Ben has been working in higher education management for over 18 years and is deeply committed to the mission of Futureworks as a high-quality independent provider of higher education. He joined the management team back in January 2007, when Futureworks first started. He has played a leading role in the development and growth of Futureworks and was instrumental in the institution's successful 2017 QAA Higher Education Review.

# Futureworks Training Limited

## Directors' Report *(continued)*

Year ended 31 August 2022

### 3. Audit & Risk Assurance Committee Independent Member

Ian Richard Falconer

Ian has over 30 years of audit and advisory experience with Grant Thornton UK LLP and Robson Rhodes LLP, helping organisations in most parts of the UK's not for profit sector. For almost 20 years he acted as external audit or internal audit partner to many universities, colleges, government departments, local authorities, health bodies, social landlords and grant funded bodies. He also worked with a number of regulatory bodies, advising on professional standards for governance and audit. As a result, he has practical experience of most aspects of governance, risk management and control.

He is currently Finance Director of Falconer Associates and holds a mixed portfolio of non-executive appointments, including at Futureworks Training Limited, The Sheffield College and Arches Housing Limited. He is a member of the Audit & Risk Assurance Committees of each of those organisations. He is also Interim Chair & Treasurer and a Member of Board of Trustees of the Sheffield Music Academy.

### 4. Use of Public Funds

Futureworks Financial Regulations ensure that we operate in compliance with the regulations and legislation for the use of public funds. The Financial Regulations set out how resources are used, reflecting the need for prudence and efficiency. The Regulations are reviewed annually and approved by the Board of Directors following scrutiny by Audit and Risk Assurance Committee.

Futureworks publishes a Value for Money statement, on our website, in line with our aim to provide value for money in all our operations

### 5. Internal Control

Futureworks takes a risk-based approach to all aspects of the business. The system of internal control is designed to identify, understand, and manage risk. The system is supported by a number of policies, procedures and regulations which are approved by the Board, or if delegated to a sub-committee, by that committee, and reviewed regularly. Risk Registers are prepared and reviewed by a Risk Management Team comprising academic and management members. The key risks are reviewed by the Executive Committee and the Audit & Risk Assurance Committee.

In particular ARAC considers the adequacy and effectiveness of internal controls to manage the key strategic risks, seeking assurance on their operation as it deems appropriate, for example from the external auditors, internal auditors, and other independent sources.

Working Groups are used to review specific items in detail.

The key risks for the institution, identified in our risk register and update for the impact of Covid, are financial, academic, and operational. These risks include recruitment, retention, access to premises for students (Covid related) and staff welfare. The risks have been, based on the level of likelihood, incorporated into our management and financial planning to ensure that appropriate controls are implemented. The risks and effectiveness of controls are regularly monitored to enable the Board, Audit & Risk Assurance Committee, and the Risk Management Team to manage the level of risk and take any further action if appropriate. No incidents of significant internal control weaknesses or failures were reported during the accounts period.

# Futureworks Training Limited

## Directors' Report *(continued)*

Year ended 31 August 2022

### 6. Effectiveness Reviews

The Board undertakes an annual review of its effectiveness. The findings are used as part of the preparation of the annual work plan. The latest review was completed and presented to the Board in August 2022 and found the Board to be operating effectively and in compliance with its obligations and responsibilities.

#### Academic Board

The Academic Board completed its first self-evaluation in November 2022 which found that the Academic Board has met its terms of reference and is meeting its objectives.

#### Audit & Risk Assurance Committee

The Committee's 2021/22 Annual Report concluded as follows:

- a. The Committee continues to address the key aspects of its responsibilities as they evolve within the wider developing governance structure and in a continuously evolving political and regulatory environment for Higher Education.
- b. Communications channels between the committee and the Board, and those with Senior Management are strong. Frequent communication between all bodies, and the sharing of appropriate files and documents has assisted the Committee in meeting its terms of reference and to address the key aspects of its responsibilities.
- c. Based on its work as summarised in this Annual Report, overall the Committee is of the opinion:
  - that Futureworks' audit arrangements were adequate and effective during 2021-22;
  - that Futureworks' risk management, control and governance were adequate and effective during 2021-22;
  - that Futureworks' value for money arrangements were adequate and effective during 2021-22;
  - that arrangements in 2021-22 for effective arrangements to manage and quality assure data submitted by Futureworks to HESA & other funding bodies are evident; and
  - all risks and items that should be brought to the notice of this committee or the Board were notified in a timely and clear manner.

# Futureworks Training Limited

## Directors' Report *(continued)*

Year ended 31 August 2022

### Statement of responsibilities of the Board

#### Responsibilities of Board

The Responsibilities of the Board are detailed in the Governance and Management Handbook and the Scheme of Delegation. Both documents are available from the Vice-Principal. These responsibilities are reviewed annually and reapproved by the Board.

#### Statement of responsibilities relating to the reports and financial statements

The detailed requirements relating to financial matters are governed by law, agreements and regulations as decreed by various bodies and are stated as follows:

The Board is responsible for keeping proper accounting records, which disclose, with reasonable accuracy, the financial position of Futureworks at any time and enable it to ensure that the financial statements are prepared in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education, in accordance with the Accounts Direction issued by the Office for Students. The Board is required to prepare financial statements which give a true and fair view of the state of affairs of Futureworks and of their income and expenditure, gains and losses and changes in reserves for that period.

In preparing the financial statements, The Board is required to:

- Ensure suitable accounting policies are selected and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures explained in the financial statements;
- Assess Futureworks' ability to continue as a going concern, disclosing as applicable, matters related to going concern basis, and:
- Use the going concern basis of accounting unless they intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Board has taken reasonable steps to:

- ensure that funds from whatever source are used only for the purposes for which they have been given and in accordance with the relevant legislation;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;

# Futureworks Training Limited

## Directors' Report *(continued)*

### Year ended 31 August 2022

- safeguard the assets of Futureworks and hence take reasonable steps to prevent and detect fraud; and
- secure the economical, efficient and effective management of Futureworks' resources and expenditure.

#### **Directors' responsibilities statement**

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.

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

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

#### **Auditor**

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

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

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

# Futureworks Training Limited

## Directors' Report *(continued)*

Year ended 31 August 2022

This report was approved by the board of directors on 21/12/2022 and signed on behalf of the board by:



Mr C Mayo  
Director



Prof R J Campbell  
Director

Registered office:  
Aldine House  
New Bailey Street  
Manchester  
M3 5FS

# **Futureworks Training Limited**

## **Independent Auditor's Report to the Members of Futureworks Training Limited**

**Year ended 31 August 2022**

### **Opinion**

We have audited the financial statements of Futureworks Training Limited (the 'company') for the year ended 31 August 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the requirements of the Companies Act 2006

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# **Futureworks Training Limited**

## **Independent Auditor's Report to the Members of Futureworks Training Limited**

*(continued)*

**Year ended 31 August 2022**

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# Futureworks Training Limited

## Independent Auditor's Report to the Members of Futureworks Training Limited

(continued)

Year ended 31 August 2022

### Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;

- Enquires with management about any known or suspected instances of fraud;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

Because of the field in which the client operates we identified that compliance with GDPR, Health and Safety, Employment Laws, UK Companies Act and specific disclosures required by higher education legislation are the area most likely to have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# Futureworks Training Limited

## Independent Auditor's Report to the Members of Futureworks Training Limited (continued)

Year ended 31 August 2022

### Opinions on other matters prescribed in the OfS

In our opinion, in all material respects:

- funds provided by the Office for Students have been applied in accordance with the relevant terms and conditions, and any other terms and conditions attached to them
- the company's expenditure on access and participation activities are disclosed in full in the financial statements
- the requirements of the OfS's Regulatory advice 9: Accounts Direction dated 25 October 2019 have been met

### Use of our report

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.

*Leonherman*

Michael Rigby FCCA (Senior Statutory Auditor)

For and on behalf of  
Leonherman  
Chartered accountants & statutory auditor  
7 Christie Way  
Christie Fields  
Manchester  
M21 7QY

*21/12/2022*

**Futureworks Training Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 August 2022**

	Note	2022 £	2021 £
<b>Turnover</b>	<b>5</b>	<b>3,832,382</b>	3,765,603
Cost of sales		<u>1,307,292</u>	<u>1,301,542</u>
<b>Gross profit</b>		<b>2,525,090</b>	2,464,061
Administrative expenses		<b>2,395,003</b>	2,117,340
Other operating income		<u>—</u>	<u>6,511</u>
<b>Operating profit</b>		<b>130,087</b>	353,232
Interest payable and similar expenses		<u>5,731</u>	<u>6,511</u>
<b>Profit before taxation</b>	<b>12</b>	<b>124,356</b>	346,721
Tax on profit		<u>(3,695)</u>	<u>(50,598)</u>
<b>Profit for the financial year and total comprehensive income</b>		<b>128,051</b>	397,319
<b>Retained losses at the start of the year</b>		<b>(2,730,457)</b>	(3,127,776)
<b>Retained losses at the end of the year</b>		<b>(2,602,406)</b>	(2,730,457)

All the activities of the company are from continuing operations.

The notes on pages 17 to 25 form part of these financial statements.

# Futureworks Training Limited

## Statement of Financial Position

31 August 2022

	Note	2022 £	£	2021 £
<b>Fixed assets</b>				
Intangible assets	13		768,473	689,532
Tangible assets	14		272,887	317,436
			<u>1,041,360</u>	<u>1,006,968</u>
<b>Current assets</b>				
Debtors	15	349,843		321,510
Cash at bank and in hand		<u>221,031</u>		<u>345,565</u>
		570,874		667,075
Creditors: amounts falling due within one year	16	<u>631,174</u>		<u>645,654</u>
<b>Net current (liabilities)/assets</b>			<u>(60,300)</u>	<u>21,421</u>
<b>Total assets less current liabilities</b>			<u>981,060</u>	<u>1,028,389</u>
Creditors: amounts falling due after more than one year	17		<u>3,581,966</u>	<u>3,757,346</u>
<b>Net liabilities</b>			<u>(2,600,906)</u>	<u>(2,728,957)</u>
<b>Capital and reserves</b>				
Called up share capital			1,500	1,500
Profit and loss account			<u>(2,602,406)</u>	<u>(2,730,457)</u>
<b>Shareholders deficit</b>			<u>(2,600,906)</u>	<u>(2,728,957)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 21/12/2022, and are signed on behalf of the board by:



Mr C Mayo  
Director



Prof R J Campbell  
Director

Company registration number: 06032686

The notes on pages 17 to 25 form part of these financial statements.

# Futureworks Training Limited

## Statement of Cash Flows

Year ended 31 August 2022

	2022	2021
	£	£
<b>Cash flows from operating activities</b>		
Profit for the financial year	128,051	397,319
<i>Adjustments for:</i>		
Depreciation of tangible assets	58,030	67,857
Government grant income	–	(6,511)
Interest payable and similar expenses	5,731	6,511
Tax on profit	–	(50,598)
Accrued income	(134,392)	(84,652)
<i>Changes in:</i>		
Trade and other debtors	(28,333)	15,368
Trade and other creditors	(23,538)	(211,298)
Cash generated from operations	<u>5,549</u>	<u>133,996</u>
Interest paid	(5,731)	(6,511)
Net cash (used in)/from operating activities	<u>(182)</u>	<u>127,485</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(13,481)	(13,537)
Purchase of intangible assets	(78,941)	(120,623)
Net cash used in investing activities	<u>(92,422)</u>	<u>(134,160)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(32,083)	155,000
Government grant income	–	6,511
Net cash (used in)/from financing activities	<u>(32,083)</u>	<u>161,511</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(124,687)</b>	<b>154,836</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>345,565</b>	<b>190,729</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>220,878</u></b>	<b><u>345,565</u></b>

The notes on pages 17 to 25 form part of these financial statements.

# Futureworks Training Limited

## Notes to the Financial Statements

Year ended 31 August 2022

### 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. 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.

These accounts have been prepared using the OFS Regulatory Advice: Accounts Direction 9 dated 25 October 2019.

#### Grant

The OfS grant is recognised using the performance model.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

The OfS grant does not impose specified future performance-related conditions on the recipient.

# Futureworks Training Limited

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

### Year ended 31 August 2022

#### Going concern

The financial statements have been prepared on a going concern basis and the Board of Directors consider this to be appropriate. Cashflow forecasts have been prepared for the next 24 months based on our recruitment, conversion and retention rates as well as known and anticipated costs. These show that the company has sufficient resources and access to external resources to meet its obligations. Regular, and ongoing reviews of the financial position of the company for cash, income and expenditure will ensure that appropriate risks are highlighted and mitigated in a timely manner.

Budgets and forecasts have been subjected to stress testing based on assumptions regarding the impact on recruitment and retention. The scenarios used range in likelihood and the directors believe the company has sufficient resources to continue to meet its obligations. We have therefore concluded that there are no material uncertainties that would cast doubt over our ability to continue as a going concern for a period of 12 months after the date of the approval of these accounts (the going concern period).

#### 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.

#### Revenue recognition

Revenue from both private and degree courses is recognised based on performance over the period to which each course relates with revenue being recognised when it is probable that the economic benefits will flow to the company and revenue can reliably measured.

# Futureworks Training Limited

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

### Year ended 31 August 2022

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

##### Income tax

The taxation expense represents the aggregate amount of current and deferred tax. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. 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 2022

#### 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 which is ongoing and additional capitalised costs are in relation to working towards achieving this. No amortisation is currently charged as the asset is not yet complete and therefore not yet in use. Management review the position at each balance sheet date and also assess whether there is any indication of impairment. If such an indication exists then an appropriate provision is included.

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 2022

#### 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.

##### Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

# Futureworks Training Limited

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

### Year ended 31 August 2022

#### 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. Turnover

The company has received grant income from the OFS in the year of £240,793 (2021 - £240,518) and has received fee income from teaching of £3,591,589 (2021 - £3,525,085).

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

#### 6. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>12,000</u>	<u>8,340</u>

#### 7. Employee numbers

The average number of persons employed by the company during the year amounted to 43 (2021: 42).

There are no staff members with a full-time equivalent basic salary of over £100,000 in the year.

#### 8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	<u>140,943</u>	<u>137,614</u>

# Futureworks Training Limited

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

### Year ended 31 August 2022

#### 8. Directors' remuneration *(continued)*

The directors remuneration is the total remuneration package for the head of provider and director who are employed by the company and processed via the monthly payroll. The total remuneration received by the head of provider was £70,273 (2021: £78,158) as salary and £1,320 (2021: £1,316) as pension contributions.

The total Head of Provider remuneration does not include £8,688 (2021: £9,566) employers national insurance contribution, £1,320 (2021: £1,316) employers pension contribution and £4,694 (2021: £4,762) taxable benefit. It also includes a bonus for the current year that was provided for in the previous year accounts and a percentage of the directors remuneration is capitalised, the intangible asset representing time spent on achieving degree awarding powers.

The relationship between the head of provider's remuneration and that for all other employees is 2.58 (2021: 2.49).

#### Justification of Principal and Managing Directors salary

The Principal, Chris Mayo, has over 20 years' experience in the higher education sector and the media industry. He provides Futureworks with a strong mix of academic and industry experience, knowledge and skills. Over the past few years he has led Futureworks through a period of significant change in the Higher Education market which has been impacted by a number of challenges including Brexit, regulatory changes and the Covid-19 Pandemic. As Principal he sits on the Board of Directors, Finance Committee, Executive Management Team and Chairs the Academic Board. Remuneration to the Principal current comprises salary only. On this basis the remuneration provided to Chris Mayo, which is very competitive in market terms, is considered justified by the Directors. The Principal's remuneration is agreed by the Board of Directors based on performance of both the Principal and the company.

#### 9. Grant income

	2022	2021
	£	£
Grant income from the OfS	240,793	240,518

The grant income is included within turnover.

#### 10. Access and participation expenditure

	2022	2021
	£	£
Access investment	114,077	105,377
Financial support provided	62,720	50,424
Research and evaluation	2,491	1,070
Total	<u>179,288</u>	<u>156,871</u>

Further information on the access and participation plans can be found [www.futureworks.ac.uk/access-and-participation/](http://www.futureworks.ac.uk/access-and-participation/)

# Futureworks Training Limited

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

### Year ended 31 August 2022

#### 11. Taxable benefits

The total taxable benefits paid for by the company for the year ended 31st August 2022 total £32,999 (2021: £27,088) in relation to private medical insurance.

#### 12. Profit before taxation

Profit before taxation is stated after charging:

	2022	2021
	£	£
Depreciation of tangible assets	<u>58,030</u>	<u>67,857</u>

#### 13. Intangible assets

	Website costs	Intangible asset	Total
	£	£	£
<b>Cost</b>			
At 1 September 2021	52,368	689,532	<b>741,900</b>
Additions	—	—	—
Additions from internal developments	—	78,941	<b>78,941</b>
<b>At 31 August 2022</b>	<u>52,368</u>	<u>768,473</u>	<u><b>820,841</b></u>
<b>Amortisation</b>			
At 1 September 2021 and 31 August 2022	52,368	—	<b>52,368</b>
<b>Carrying amount</b>			
At 31 August 2022	—	768,473	<b>768,473</b>
At 31 August 2021	—	689,532	689,532

#### 14. Tangible assets

	Leasehold Property	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2021	815,424	725,752	240,005	<b>1,781,181</b>
Additions	4,758	2,388	6,335	<b>13,481</b>
<b>At 31 August 2022</b>	<u>820,182</u>	<u>728,140</u>	<u>246,340</u>	<u><b>1,794,662</b></u>
<b>Depreciation</b>				
At 1 September 2021	558,912	673,146	231,687	<b>1,463,745</b>
Charge for the year	39,190	10,999	7,841	<b>58,030</b>
<b>At 31 August 2022</b>	<u>598,102</u>	<u>684,145</u>	<u>239,528</u>	<u><b>1,521,775</b></u>
<b>Carrying amount</b>				
At 31 August 2022	222,080	43,995	6,812	<b>272,887</b>
At 31 August 2021	256,512	52,606	8,318	317,436

# Futureworks Training Limited

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

Year ended 31 August 2022

### 15. Debtors

	2022 £	2021 £
Trade debtors	8,792	–
Other debtors	<u>341,051</u>	<u>321,510</u>
	<u>349,843</u>	<u>321,510</u>

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

	2022 £	2021 £
Bank loans and overdrafts	35,147	32,078
Trade creditors	339,588	313,458
Social security and other taxes	47,293	46,986
Other creditors	<u>209,146</u>	<u>253,132</u>
	<u>631,174</u>	<u>645,654</u>

There are fixed and floating charges over the assets of the company in relation to the CBILS loan and other facilities.

### 17. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	107,923	142,922
Other creditors	<u>3,474,043</u>	<u>3,614,424</u>
	<u>3,581,966</u>	<u>3,757,346</u>

There are fixed and floating charges over the assets of the company in relation to the CBILS loan and other facilities.

Included within creditors: amounts falling due after more than one year is an amount of £3,473,604 (2021: £3,533,604) 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 £3,473,604 (2021: £3,533,604) owing to R Tyrell, a director of the company. The loan is unsecured, interest free and repayable on or after the 30th August 2028 unless agreed in advance by the Company.

### 18. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022 £	2021 £
Recognised in other operating income:		
Government grants recognised directly in income	<u>–</u>	<u>6,511</u>

# Futureworks Training Limited

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

### Year ended 31 August 2022

#### 19. Operating leases

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

	2022	2021
	£	£
Not later than 1 year	470,330	521,862
Later than 1 year and not later than 5 years	1,775,860	1,850,621
Later than 5 years	243,600	661,200
	<u>2,489,790</u>	<u>3,033,683</u>

#### 20. Contingencies

There is a contingent liability of £193,450 at the balance sheet date which has not been provided for. The directors have adopted FRS 102 paragraph 21.17 in that providing disclosures would seriously prejudice the position of the entity in a dispute with other parties.

#### 21. Directors' advances, credits and guarantees

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

	2022			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr C Mayo	507	2,000	(507)	2,000
Mr A Doyle	(25,050)	—	—	(25,050)
	<u>(24,543)</u>	<u>2,000</u>	<u>(507)</u>	<u>(23,050)</u>
	2021			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr C Mayo	5,126	507	(5,126)	507
Mr A Doyle	(25,050)	—	—	(25,050)
	<u>(19,924)</u>	<u>507</u>	<u>(5,126)</u>	<u>(24,543)</u>

# **Futureworks Training Limited**

## **Management Information**

**Year ended 31 August 2022**

**The following pages do not form part of the financial statements.**

# Futureworks Training Limited

## Detailed Income Statement

Year ended 31 August 2022

	2022 £	2021 £
<b>Turnover</b>	<b>3,832,382</b>	3,765,603
<b>Cost of sales</b>		
Purchases	67,366	37,508
Commission payable	360,450	353,500
Wages	668,597	653,548
Subcontractor costs	210,879	256,986
	<u>1,307,292</u>	<u>1,301,542</u>
<b>Gross profit</b>	<b>2,525,090</b>	2,464,061
<b>Overheads</b>		
Administrative expenses	2,395,003	2,117,340
<b>Other operating income</b>	—	6,511
<b>Operating profit</b>	<b>130,087</b>	353,232
Interest payable and similar expenses	(5,731)	(6,511)
<b>Profit before taxation</b>	<b>124,356</b>	346,721

**Futureworks Training Limited**  
**Notes to the Detailed Income Statement**  
**Year ended 31 August 2022**

	2022 £	2021 £
<b>Administrative expenses</b>		
Directors fees	97,172	102,096
Wages and salaries	789,105	627,933
Rent and service charges	421,760	460,346
Rates and water	159,399	65,388
Light and heat	109,398	64,015
Insurance	68,071	56,474
Repairs and maintenance	58,189	90,416
Other establishment expenses	1,686	748
Travel and subsistence	24,916	9,792
Hire costs (non-operating leases)	106,668	90,279
Telephone	33,211	29,456
Printing postage and stationery	13,993	12,138
Staff training	9,547	7,506
Sundry expenses	1,560	-
Charitable donations (allowable)	115	115
Computer costs	664	7,364
Advertising	96,430	103,040
Access and participation - excluding staff costs	76,617	58,910
Legal and professional fees	108,459	149,745
Subscriptions	142,992	99,734
Auditors remuneration	12,000	8,340
Depreciation of tangible assets	58,030	67,857
Bank charges	5,021	5,648
	<u>2,395,003</u>	<u>2,117,340</u>
<b>Other operating income</b>		
Government grant income	-	6,511
	<u>-</u>	<u>6,511</u>
<b>Interest payable and similar expenses</b>		
Interest on bank loans and overdrafts	5,731	6,511
	<u>5,731</u>	<u>6,511</u>