

REGISTERED NUMBER: 06032686 (England and Wales)

FUTUREWORKS TRAINING LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

FUTUREWORKS TRAINING LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2023**

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FUTUREWORKS TRAINING LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2023**

DIRECTORS:

C Mayo
G Arnold
J S Brooks
R J Campbell
R Tyrrell
A Doyle

SECRETARY:

C Mayo

REGISTERED OFFICE:

Aldine House
New Bailey Street
Manchester
M3 5FS

REGISTERED NUMBER:

06032686 (England and Wales)

AUDITORS:

Clarke Nicklin LLP
Chartered Accountants and
Statutory Auditors
Clarke Nicklin House
Brooks Drive
Cheadle Royal Business Park
Cheadle
Cheshire
SK8 3TD

FUTUREWORKS TRAINING LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2023

The directors present their report with the financial statements of the company for the year ended 31 August 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of technical and vocational higher education.

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2022 to the date of this report.

C Mayo
G Arnold
J S Brooks
R J Campbell
R Tyrrell
A Doyle

FUTUREWORKS TRAINING LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2023

OVERVIEW

The year 2022/2023 saw an increase in trading revenue as compared to previous year but the company incurred a loss of £35,816 due to increasing administrative expenses.

FINANCIAL RESULT

Total turnover in 2022/2023 increased by £277,116. Total turnover in 2022/2023 is £4,109,498 (2022: £3,832,382)

Total expenses increased by £437,288 in the year to £4,145,314 (2022: £3,708,026).

The company has recorded a loss before tax of £35,816 in the year as compared to a profit in the previous year.

FUTURE OUTLOOK

Updated forecasts indicate the company will record a surplus in the current year but will continue to monitor the increasing costs to ensure they are in line with expectations.

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 partially 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 four sub-committees under a Scheme of Delegation, viz the Academic Board, Executive Team, Audit & Risk Assurance Committee and Nominations & Remuneration Committee. 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's members include Staff and Student representatives as well as an independent member.

FUTUREWORKS TRAINING LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2023

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 and senior management.

Audit & Risk Assurance Committee

The Audit and Risk Assurance Committee is responsible for reviewing the internal control, risk management, data quality, value for money, governance and audit arrangements and providing the Board with assurance on these matters. 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.

Based on the work of the Audit & Risk Assurance Committee as summarised in its Annual Report, overall the Committee is of the opinion:

- that Futureworks' audit arrangements were adequate and effective during 2022-23.
- that Futureworks' risk management, control and governance were adequate and effective during 2022-23.
- that Futureworks' value for money arrangements were adequate and effective during 2022-23.
- that arrangements in 2022-23 for effective arrangements to manage and quality assure data submitted by Futureworks to HESA & other funding bodies are evident.
- 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.

Nominations & Remuneration Committee

The 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 staff.

Each of 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 each meeting are published on the Futureworks Website.

The Academic Board and the Audit & Risk Assurance Committee each provide the Board of Directors with an annual report. The Executive Team reports to the Board at each meeting. 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.

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.

FUTUREWORKS TRAINING LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2023

Chris Mayo, Principal & 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; has also been a Trustee Board Member for the SHU Students Union; and was a Governor at The Sheffield College until May 2023. Gwyn 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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2023

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 Treasurer and a Member of Board of Trustees of the Sheffield Music Academy and The Harmony Works Trust.

4. 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 Team 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 are financial, academic, and operational. 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.

5. Effectiveness Reviews

The Board and its sub-committees undertake an annual review of effectiveness. The findings are used as part of the preparation of the annual work plan.

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:

FUTUREWORKS TRAINING LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2023

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;
- 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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2023**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Clarke Nicklin LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
C Mayo - Director

Date: 14/12/2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FUTUREWORKS TRAINING LIMITED

Opinion

We have audited the financial statements of Futureworks Training Limited (the 'company') for the year ended 31 August 2023 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, Statement of Cash Flows and the notes to the financial statements, including a statement 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 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law);
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FUTUREWORKS TRAINING LIMITED

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.

Responsibilities of the directors for the financial statements

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FUTUREWORKS TRAINING LIMITED

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

Procedures to identify risks:

- enquiring of management concerning the company's procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas: timing of recognition of sales and, posting of unusual journals; and
- obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety, pensions legislation and tax legislation.

The procedures to respond to risks identified included:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud;
- reviewing correspondence with HMRC;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Furthermore, based on our understanding of the company/industry, we identified that the principal risks of non-compliance with laws and regulations related to employment laws and data protection regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as taxation laws, pension regulations and the Office for Students' Accounts Direction (OfS 2019.41).

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. This description forms part of our auditor's report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FUTUREWORKS TRAINING LIMITED**

Use of our report

This report is made solely to the company's directors, 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 directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

Other required reporting

Opinions on other matters prescribed in the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion, in all material respects:

- funds from whatever source administered by the company for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation
- funds provided by the Office for Students, UK Research and Innovation (including Research England), have been applied in accordance with the relevant terms and conditions.

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The company's grant and fee income, as disclosed in note 4 to the financial statements, has been materially misstated; or
- The company's expenditure on access and participation activities for the financial year, as disclosed in note 11 to the financial statements, has been materially misstated.

We have no matters to report arising from this responsibility.



Graham Travis FCA (Senior Statutory Auditor)
for and on behalf of Clarke Nicklin LLP
Chartered Accountants and
Statutory Auditors
Clarke Nicklin House
Brooks Drive
Cheadle Royal Business Park
Cheadle
Cheshire
SK8 3TD

Date: 14 December 2023.

FUTUREWORKS TRAINING LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	2022 £
TURNOVER	4	4,109,498	3,832,382
Cost of sales		1,401,544	1,307,292
GROSS PROFIT		2,707,954	2,525,090
Administrative expenses		2,738,996	2,395,003
OPERATING (LOSS)/PROFIT	7	(31,042)	130,087
Interest payable and similar expenses	9	4,773	5,731
(LOSS)/PROFIT BEFORE TAXATION		(35,815)	124,356
Tax on (loss)/profit	10	-	(3,695)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(35,815)	128,051
Retained earnings at beginning of year		(2,602,406)	(2,730,457)
RETAINED EARNINGS AT END OF YEAR		<u>(2,638,221)</u>	<u>(2,602,406)</u>

The notes form part of these financial statements

FUTUREWORKS TRAINING LIMITED (REGISTERED NUMBER: 06032686)

BALANCE SHEET
31 AUGUST 2023

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Intangible assets	12		853,829		768,473
Tangible assets	13		250,222		272,887
			<u>1,104,051</u>		<u>1,041,360</u>
CURRENT ASSETS					
Debtors	14	451,864		349,843	
Cash at bank		237,040		221,031	
		<u>688,904</u>		<u>570,874</u>	
CREDITORS					
Amounts falling due within one year	15	943,155		631,174	
		<u>943,155</u>		<u>631,174</u>	
NET CURRENT LIABILITIES			<u>(254,251)</u>		<u>(60,300)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			849,800		981,060
CREDITORS					
Amounts falling due after more than one year	16		3,486,521		3,581,966
			<u>3,486,521</u>		<u>3,581,966</u>
NET LIABILITIES			<u>(2,636,721)</u>		<u>(2,600,906)</u>
CAPITAL AND RESERVES					
Called up share capital	20		1,500		1,500
Retained earnings			(2,638,221)		(2,602,406)
			<u>1,500</u>		<u>1,500</u>
SHAREHOLDERS' FUNDS			<u>(2,636,721)</u>		<u>(2,600,906)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 14/12/2023 and were signed on its behalf by:


.....
C Mayo - Director


.....
R J Campbell - Director

The notes form part of these financial statements

FUTUREWORKS TRAINING LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	172,898	5,556
Interest paid		(4,773)	(5,731)
Net cash from operating activities		<u>168,125</u>	<u>(175)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(85,356)	(78,941)
Purchase of tangible fixed assets		(31,437)	(13,482)
Net cash from investing activities		<u>(116,793)</u>	<u>(92,423)</u>
Cash flows from financing activities			
Loan repayments in year		(35,176)	(32,083)
Net cash from financing activities		<u>(35,176)</u>	<u>(32,083)</u>
Increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	220,884	345,565
Cash and cash equivalents at end of year	2	<u><u>237,040</u></u>	<u><u>220,884</u></u>

The notes form part of these financial statements

FUTUREWORKS TRAINING LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
(Loss)/profit before taxation	(35,815)	124,356
Depreciation charges	54,103	58,030
Finance costs	4,773	5,731
	<u>23,061</u>	<u>188,117</u>
Increase in trade and other debtors	(102,021)	(83,777)
Increase/(decrease) in trade and other creditors	251,858	(98,784)
	<u>172,898</u>	<u>5,556</u>
Cash generated from operations	<u><u>172,898</u></u>	<u><u>5,556</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 August 2023

	31.8.23	1.9.22
	£	£
Cash and cash equivalents	237,040	221,031
Bank overdrafts	-	(147)
	<u>237,040</u>	<u>220,884</u>

Year ended 31 August 2022

	31.8.22	1.9.21
	£	£
Cash and cash equivalents	221,031	345,565
Bank overdrafts	(147)	-
	<u>220,884</u>	<u>345,565</u>

The notes form part of these financial statements

FUTUREWORKS TRAINING LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.22 £	Cash flow £	At 31.8.23 £
Net cash			
Cash at bank and in hand	221,031	16,009	237,040
Bank overdrafts	(147)	147	-
	<u>220,884</u>	<u>16,156</u>	<u>237,040</u>
Debt			
Debts falling due within 1 year	(35,000)	-	(35,000)
Debts falling due after 1 year	(107,923)	35,006	(72,917)
	<u>(142,923)</u>	<u>35,006</u>	<u>(107,917)</u>
Total	<u>77,961</u>	<u>51,162</u>	<u>129,123</u>

The notes form part of these financial statements

FUTUREWORKS TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. STATUTORY INFORMATION

Futureworks Training Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

The financial statements are presented in Sterling (£).

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.

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 the company's 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. The directors have therefore concluded that there are no material uncertainties that would cast doubt over the company's 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).

3. **ACCOUNTING POLICIES - continued**

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 assets is sensitive to changes in their 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.

3. ACCOUNTING POLICIES - continued

Taxation

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.

FUTUREWORKS TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2023

3. ACCOUNTING POLICIES - continued

Intangible assets

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

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 - 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 assets also include an 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.

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

FUTUREWORKS TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2023

3. ACCOUNTING POLICIES - continued 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.

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.

4. TURNOVER

The company has received grant income from the OfS in the year of £319,324 (2022: £240,793) which is included in the total turnover for the year of £4,109,498 (2022: £3,832,382).

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

Total Turnover

	2023	2022
	£	£
Total turnover	4,109,498	3,832,382

The grant income is included within turnover.

5. EMPLOYEES AND DIRECTORS

Employee numbers

The average number of persons employed by the company during the year amounted to 49 (2022: 43).

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

FUTUREWORKS TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2023

6. DIRECTORS' REMUNERATION

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

	2023	2022
	£	£
Remuneration	154,828	140,943

The directors remuneration is the total remuneration package for the head of provider and another director who are employed by the company and processed via the monthly payroll.

The head of provider remuneration is made up of:

	2023	2022
	£	£
Gross salary	76,441	69,215
Bonus	2,257	4,279
Benefit in kind - private medical	4,800	4,694
Employer's pension	1,321	1,320
Total	84,819	79,508

The total head of provider remuneration of £84,819 does not include employers national insurance contribution of £9,475 (2021: £8,688).

The head of provider's basic salary is 2.56 (2022: 2.25) times the median pay of staff.

The head of provider's total remuneration is 2.57 (2022: 2.58) times the median total remuneration of staff.

Justification of Principal and Managing Directors Salary

The Principal and Managing Director, 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 currently 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.

7. OPERATING (LOSS)/PROFIT

The operating loss (2022 - operating profit) is stated after charging/(crediting):

	2023	2022
	£	£
TDAP credit	(85,356)	(78,327)
Depreciation - owned assets	54,105	58,030

FUTUREWORKS TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

8. AUDITORS REMUNERATION

	2023	2022
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	19,200	12,000

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest	4,773	5,731

10. TAXATION

Taxable benefits

The total taxable benefits paid for by the company for the year ended 31st August 2023 total £34,199 (2022: £32,999) in relation to private medical insurance.

11. ACCESS AND PARTICIPATION

	2023	2022
	£	£
Access investment	96,050	114,077
Financial support provided	110,395	62,720
Research and evaluation	6,858	2,491
Total	213,303	179,288

Further information on the access and participation plans can be found www.futureworks.ac.uk/access-and-participation/

FUTUREWORKS TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023

12. INTANGIBLE FIXED ASSETS

	Patents and licences £	Computer software £	Totals £
COST			
At 1 September 2022	768,473	52,368	820,841
Additions	85,356	-	85,356
	<u>853,829</u>	<u>52,368</u>	<u>906,197</u>
At 31 August 2023	853,829	52,368	906,197
AMORTISATION			
At 1 September 2022 and 31 August 2023	-	52,368	52,368
	<u>-</u>	<u>52,368</u>	<u>52,368</u>
NET BOOK VALUE			
At 31 August 2023	<u>853,829</u>	<u>-</u>	<u>853,829</u>
At 31 August 2022	<u>768,473</u>	<u>-</u>	<u>768,473</u>

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 September 2022	820,182	728,140	246,340	1,794,662
Additions	11,950	7,366	12,121	31,437
	<u>832,132</u>	<u>735,506</u>	<u>258,461</u>	<u>1,826,099</u>
At 31 August 2023	832,132	735,506	258,461	1,826,099
DEPRECIATION				
At 1 September 2022 Charge for year	598,102 35,105	684,145 10,272	239,528 8,725	1,521,775 54,102
	<u>633,207</u>	<u>694,417</u>	<u>248,253</u>	<u>1,575,877</u>
At 31 August 2023	633,207	694,417	248,253	1,575,877
NET BOOK VALUE				
At 31 August 2023	<u>198,925</u>	<u>41,089</u>	<u>10,208</u>	<u>250,222</u>
At 31 August 2022	<u>222,080</u>	<u>43,995</u>	<u>6,812</u>	<u>272,887</u>

FUTUREWORKS TRAINING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	500	8,792
Other debtors	42,409	41,161
Deferred tax	55,445	55,445
Prepayments and accrued income	353,510	244,445
	<u>451,864</u>	<u>349,843</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts	35,000	35,147
Trade creditors	452,263	339,588
Social security and other taxes	142,812	47,293
Other creditors	313,083	209,146
	<u>943,158</u>	<u>631,174</u>

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

There are unpaid pension contributions outstanding amounting to £21,285 (2022: £8,320). Subsequently, these have been brought up to date.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts	72,917	107,923
Other creditors	3,413,917	3,474,043
	<u>3,486,521</u>	<u>3,581,966</u>

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

Included within creditors due after more than one year is £3,413,604 (2022: £3,473,604) owing to R Tyrrell, 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.

FUTUREWORKS TRAINING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2023**

17. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year on demands:		
Bank overdrafts	-	147
Bank loans	35,000	35,000
	<u>35,000</u>	<u>35,147</u>
Amounts falling due between two and five years:		
Bank loans - 2 - 5 years	72,917	107,923
	<u>72,917</u>	<u>107,923</u>

18. LEASING AGREEMENTS

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

	2023 £	2022 £
Not later than 1 year	691,899	470,330
Later than 1 year and not later than 5 years	1,644,974	1,775,860
Later than 5 years	272,767	243,600
	<u>2,609,640</u>	<u>2,489,790</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	2023 £	2022 £
Bank loans	107,917	142,923
	<u>107,917</u>	<u>142,923</u>

20. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	2023 £	2022 £
1,500	Ordinary	£1	1,500	1,500

FUTUREWORKS TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2023

21. CONTINGENT LIABILITIES

There is a contingent liability of £80,000 (2022: £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.

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 August 2023 and 31 August 2022:

	2023 £	2022 £
C Mayo		
Balance outstanding at start of year	2,000	507
Amounts advanced	952	2,000
Amounts repaid	(2,000)	(507)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>952</u>	<u>2,000</u>
A Doyle		
Balance outstanding at start of year	(25,050)	(25,050)
Amounts advanced	16,548	-
Amounts repaid	(15,000)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(23,502)</u>	<u>(25,050)</u>