

**Futureworks Training Limited**  
**Filleted Financial Statements**  
**31 August 2021**

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26/05/2022

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COMPANIES HOUSE

**LEONHERMAN**

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

# Futureworks Training Limited

## Statement of Financial Position

31 August 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	9	689,532	568,909
Tangible assets	10	<u>317,436</u>	<u>371,757</u>
		<b>1,006,968</b>	<b>940,666</b>
<b>Current assets</b>			
Debtors	11	321,510	301,387
Cash at bank and in hand		<u>-345,565</u>	<u>190,729</u>
		<b>667,075</b>	<b>492,116</b>
<b>Creditors: amounts falling due within one year</b>	12	<u>645,654</u>	<u>796,901</u>
<b>Net current assets/(liabilities)</b>		<u>21,421</u>	<u>(304,785)</u>
<b>Total assets less current liabilities</b>		<b>1,028,389</b>	<b>635,881</b>
<b>Creditors: amounts falling due after more than one year</b>	13	<b>3,757,346</b>	<b>3,747,049</b>
<b>Provisions</b>			
Taxation including deferred tax		<u>-</u>	<u>15,108</u>
<b>Net liabilities</b>		<u><b>(2,728,957)</b></u>	<u><b>(3,126,276)</b></u>
<b>Capital and reserves</b>			
Called up share capital		1,500	1,500
Profit and loss account		<u>(2,730,457)</u>	<u>(3,127,776)</u>
<b>Shareholders deficit</b>		<u><b>(2,728,957)</b></u>	<u><b>(3,126,276)</b></u>

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

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

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

The statement of financial position  
continues on the following page.

The notes on pages 3 to 12 form part of these financial statements.

# Futureworks Training Limited

## Statement of Financial Position *(continued)*

31 August 2021

These financial statements were approved by the board of directors and authorised for issue on ~~02/02/2022~~ 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 3 to 12 form part of these financial statements.

# Futureworks Training Limited

## Notes to the Financial Statements

Year ended 31 August 2021

### 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. Principle 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 2021

#### **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 18 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 2021

#### 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 2021

#### 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 2021

#### 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.

##### Provisions

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



# Futureworks Training Limited

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

### Year ended 31 August 2021

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

##### Provisions *(continued)*

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

##### Financial instruments

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

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

Debt instruments are subsequently measured at amortised cost.

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

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

#### 5. Employee numbers

The average number of persons employed by the company during the year amounted to 42 (2020: 44).

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

#### 6. Grant income

	2021	2020
	£	£
Grant income from the OfS	240,518	273,513

# Futureworks Training Limited

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

### Year ended 31 August 2021

#### 7. Access and participation expenditure

	2021	2020
	£	£
Access investment	61,462	34,510
Financial support provided	50,424	13,250
Staff costs - included within wages and salaries	43,915	35,099
Staff costs - included within travel and subsistence	–	3,581
Research and evaluation	1,070	–
<b>Total</b>	<b><u>156,871</u></b>	<b><u>86,440</u></b>

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/)

#### 8. Taxable benefits

The total taxable benefits paid for by the company for the year ended 31st August 2021 total £27,088 (2020: £18,757) in relation to private medical insurance.

#### 9. Intangible assets

	Website costs	Intangible asset	Total
	£	£	£
<b>Cost</b>			
At 1 September 2020	52,368	568,909	621,277
Additions	–	–	–
Additions from internal developments	–	120,623	120,623
<b>At 31 August 2021</b>	<b><u>52,368</u></b>	<b><u>689,532</u></b>	<b><u>741,900</u></b>
<b>Amortisation</b>			
At 1 September 2020 and 31 August 2021	52,368	–	52,368
<b>Carrying amount</b>			
At 31 August 2021	–	689,532	689,532
At 31 August 2020	–	568,909	568,909

# Futureworks Training Limited

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

### Year ended 31 August 2021

#### 10. Tangible assets

	Leasehold Property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 September 2020	809,611	727,861	230,173	<b>1,767,645</b>
Additions	5,813	–	7,724	<b>13,537</b>
Transfers	–	(2,109)	2,108	<b>(1)</b>
<b>At 31 August 2021</b>	<b>815,424</b>	<b>725,752</b>	<b>240,005</b>	<b>1,781,181</b>
<b>Depreciation</b>				
At 1 September 2020	513,646	658,126	224,116	<b>1,395,888</b>
Charge for the year	45,266	13,152	9,439	<b>67,857</b>
Transfers	–	1,868	(1,868)	<b>–</b>
<b>At 31 August 2021</b>	<b>558,912</b>	<b>673,146</b>	<b>231,687</b>	<b>1,463,745</b>
<b>Carrying amount</b>				
<b>At 31 August 2021</b>	<b>256,512</b>	<b>52,606</b>	<b>8,318</b>	<b>317,436</b>
At 31 August 2020	295,965	69,735	6,057	371,757

#### 11. Debtors

	2021 £	2020 £
Other debtors	<b>321,510</b>	<b>301,387</b>

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

	2021 £	2020 £
Bank loans and overdrafts	<b>32,078</b>	–
Trade creditors	<b>313,458</b>	378,595
Social security and other taxes	<b>46,986</b>	182,622
Other creditors	<b>253,132</b>	235,684
	<b>645,654</b>	<b>796,901</b>

There is a fixed and floating charge over the assets of the company in relation to the CBILS loan.

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

	2021 £	2020 £
Bank loans and overdrafts	<b>142,922</b>	–
Other creditors	<b>3,614,424</b>	3,747,049
	<b>3,757,346</b>	<b>3,747,049</b>

There is a fixed and floating charge over the assets of the company in relation to the CBILS loan.

# Futureworks Training Limited

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

### Year ended 31 August 2021

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

Included within creditors: amounts falling due after more than one year is an amount of £3,533,604 (2020: £3,538,604) 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 £3,533,604 owing to R Tyrell, a director of the company. The loan is unsecured, interest free and repayable on or after the 30th August 2028.

#### 14. Government grants

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

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>6,511</u>	<u>—</u>

#### 15. Operating leases

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

	2021	2020
	£	£
Not later than 1 year	521,862	470,330
Later than 1 year and not later than 5 years	1,850,621	1,881,319
Later than 5 years	661,200	1,078,800
	<u>3,033,683</u>	<u>3,430,449</u>

#### 16. Contingencies

There is a contingent liability of £149,650 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.

#### 17. Summary audit opinion

The auditor's report for the year dated 02/02/2022 was unqualified.

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

# Futureworks Training Limited

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

Year ended 31 August 2021

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

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

	2021			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr C Mayo	<u>5,126</u>	<u>507</u>	<u>(5,126)</u>	<u>507</u>

  

	2020			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr C Mayo	<u>-</u>	<u>5,126</u>	<u>-</u>	<u>5,126</u>