

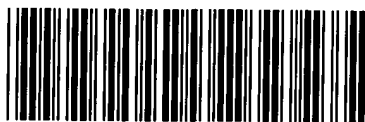
Registered number: 03263608

LIFETIME TRAINING GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

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LIFETIME TRAINING GROUP LIMITED

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LIFETIME TRAINING GROUP LIMITED

COMPANY INFORMATION

Directors	P J Mitchell A P Khan
Company secretary	P J Mitchell
Registered number	03263608
Registered office	Clifton Heights Triangle West Bristol BS8 1EJ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

LIFETIME TRAINING GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2020

The directors present the Strategic Report of Lifetime Training Group Limited (the "Company") for the year ended 31 July 2020.

Business review

Turnover decreased to £59,913k (2019: £71,486k) with the principal revenue stream of Apprenticeship training being the primary area of reduction. The apprenticeship business unit of the Company delivers predominantly service sector training, particularly to the Hospitality, Care, Active Leisure, Retail and Healthcare sectors. The year has again seen extension of the employer client base through new client wins across all these sectors; this has been added to through the launch of extended programmes with a number of clients that had been contracted within the prior year, and further by strong continuing activity with many long-standing clients.

The growth in the client activity was supporting a strong financial performance in the first half of the year. Inevitably however COVID-19 had a notable effect on performance in the final five months of the year. We worked closely with our client partners to ensure we worked with best endeavours to recognise the impact on their business and apprentices with the aim to provide continuing appropriate support. Ultimately in many cases this led to a temporary cessation of training delivery although, where deemed appropriate and effective, we did continue to deliver apprenticeship training.

In addition to the cessation of much of our training delivery, we further experienced a significant slowdown in the volumes of new learners enrolling on to apprenticeship programmes from mid-March onwards. In addition, there have been learners that we delivered training to prior to COVID-19 that have been displaced from their programmes since the interruption caused by COVID-19. The combination of the above factors has ultimately led to a reduced number of learners on programme as at the end of the year. Where we continued to incur costs without associated revenues due to the cessation of training programmes or reduced activity levels, the Company took appropriate actions to furlough employees under the UK Government's Coronavirus Job Retention Scheme ('CJRS'). Further, in recognition of this reduction and future potential trends of activity from the ongoing impact of COVID-19 in future financial years, the Company commenced collective consultation with employees in respect of a redundancy programme in July, which was concluded in September 2020.

In prior years we have commented upon the nature of reforms to the Apprenticeship market that were implemented in May 2017. This has included the need to transition curriculum development and operational delivery to focus on apprenticeship standards as opposed to frameworks, to the extent that standards have been approved by the Institute for Apprenticeships. During the year there were still some areas of operational delivery within Lifetime that during the year continued to be in respect of frameworks, but this tended to be a result of the lack of availability of standards, and consequently the Company has been successful in its implementation of its apprenticeship standards training delivery to learners. The Institute for Apprenticeships confirmed during the year that as of 31st July 2020 no further enrolments of learners on to Apprenticeship frameworks was permitted and in preparation for this Lifetime had continued to evolve its curriculum and teaching capability to adapt to the new standards that came in to being during the year or in readiness for the forthcoming year.

The business-to-consumer training unit of the Company continued during the year to offer courses that allow learners to pursue career or business opportunities predominantly in the active leisure sector. At the end of the year the Company took the decision to no longer enrol new learners on to such courses and to run-down the provision over the subsequent two years to ensure all previously enrolled learners receive the full delivery of their training.

The net assets of the Company at the end of the financial year is £73,691k (2019: £6,681k).

LIFETIME TRAINING GROUP LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Impact of Covid-19

As commented above COVID-19 had a notable impact on the level of activity and hence associate financial performance of the business in the second half of the year. The impact is continuing as at the date of signing of these financial statements with the UK Government having instigated a second national lockdown in England in the late Autumn, having previously instigated a number of local lockdowns. The Company delivers apprenticeship training to clients that operate in economic sectors that have seen significant disruption to their trading activities due to lockdown. In many cases, some sectors have seen significant reductions in trading which has resulted in the furloughing of large proportions of their employees (most notably in the hospitality, active leisure and non-essential retail sectors). Some other sectors have seen increased trading levels and/or other operational challenges, particularly in food retail and the health and care sectors.

The Company has endeavoured to support apprentices through their training where they wished to continue with their programmes during the period of disruption caused by COVID-19. Where this has not been possible, learners have taken appropriate breaks-in-learning and have been returning, and will continue to return, to learning. The timing of returns to learning is influenced by the many factors to include the activity levels of our clients and also the level of support receivable from central government, particularly in respect of the CJRS. The extension of the CJRS to at least January 2021 will ultimately provide valuable support to our clients and will work to support the ultimate return to and retention of learners on our Apprenticeship programmes.

As a service business, a large proportion of our manageable cost is associated with people. As commented above, during the year we utilised the CJRS to support areas of inactivity, and further have undertaken a redundancy programme to address the future identified resourcing requirement in the Company. The use of the CJRS has continued in the period following the Balance Sheet date but to a significantly reduced extent as a consequence of both the redundancy programme and also the increasing activity levels of training.

Directors' duties

The directors of the Company must act in accordance with a set of general duties as detailed in section 172 of the Companies Act 2006. Under such legislation a director is required to act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to the stakeholders and matters set out in s172(1)(a-f).

The directors fulfil their duties in the following ways:

Employee engagement - In a service industry such as ours, a well-engaged and productive employee team is critical to the success of our Company. We ensure that the performance of our people is managed and we aim to train and develop talent to ensure both operational efficiency, employee satisfaction and long term business success. We undertake employee engagement surveys at least annually and hold regular employee forums with representatives from across all areas of the Company. Our annual staff appraisal process 'Evolve' is supplemented by ongoing performance reviews and talent mapping exercises as part of our day-to-day operations.

Business Relationships - Our customer partners vary in size and principally they are UK Apprenticeship Levy paying employers. It is important to us to develop and maintain strong relationships through regular engagement and to enter into mutually beneficial multi-year contracts. We also place a strong value on a supportive and consistent supplier base and look to enter into multi-year contracts with our critical suppliers. We further recognise that a critical partner in our industry is the UK Government, principally in our case through the Department for Education; we look to actively engage with and support this partner to understand the operational framework in which we are required to operate.

Community and the Environment - we strive to improve the impact that our business has on the environment through the adaptation of working practices to reduce energy consumption and waste. We recognise further that as a national operator we have a responsibility to support the communities that we interact with; we strive to support our client partners to drive engagement with specific communities to support sustainable employment and training opportunities.

LIFETIME TRAINING GROUP LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Shareholders - The directors are committed to openly and regularly engaging with our shareholders as we recognise the importance of a continuing effective dialogue. It is important to us that shareholders both understand and support our strategy and objectives, with appropriate feedback heard and assessed. The directors meet formally with the shareholders or their representatives formally on a monthly basis but equally strive to keep all informed of notable developments as and when they arise. Annual reviews of strategies and plans, to include financial budgets, are assessed collectively in detail with shareholders at appropriate times during the year.

Decision Making - Each year an annual plan and associated strategies are produced and assessed with shareholders. This includes a further forward looking assessment on a multi-year basis to identify the long term impacts of the strategic actions being proposed. This will include the assessment of risks and opportunities associated with those proposals. All senior management is required to contribute to the plans and to present them formally for assessment by the Board and ultimately the shareholders. Obviously the COVID-19 pandemic has required the Board to make rapid yet well informed decisions that not only impacted immediate actions but also the long-term prospects of the business. The cessation of training delivery, associated use of the CJRS for inactive staff, and the forward review of activity levels and resourcing to drive the redundancy programme all gave significant consideration to the long-term impacts as well as near term ones. Equally the approach to re-engaging resources and learners as lockdown restrictions eased were Board led decisions paying due consideration to short and long term impacts. During the year, as noted earlier, the Board also took the decision to cease activities in the fitness sector business to consumer division; this decision very much was driven by the long term view of the activities and the cyclical nature of many factors associated with the sector and business unit.

Business Conduct - The Board ensures that appropriate policies are in place to provide a framework within which we ensure our business and our representatives operate within. We are responsive to changes in legislative and ethical aspects of what would constitute good business governance. Included in this framework is detailed guidance to employees in respect of Anti Corruption and Bribery, Whistleblowing, Safeguarding and Anti Modern Slavery.

Principal risks and uncertainties

The board of directors consider the following to be the principal risks and uncertainties:

COVID-19 - the ongoing global pandemic is having a material impact on many industries and employers within them. The Company delivers services to many employers across a number of industries to include such industries that have been the subject of significant lockdown restrictions, principally in the Hospitality and Active Leisure sectors. A continuation or enhancement of restrictions in these or other sectors to which the Company delivers its services, along with the wider economic impact of COVID-19, are recognised as a significant uncertainties.

Government Education Policy Risk - The Company generates the largest part of its turnover from training activities influenced and in part funded ultimately by government sources. Changes to the UK Government and/or the policy initiatives they pursue in respect of education and training is the primary risk facing the Company.

Other Government Policy Risk - The Company relies on the employers it works with to continue to operate and to employ incumbent staff and recruit new employees accordingly. General economic performance changes that are driven by elements of Government Policy are a notable risk. The potential reduction in available workers from the EU for the employers we work with may impact overall employment levels in those employers, although there may be increased requirements to address skills shortages within the UK national potential workforce. The level of uncertainty that many businesses feel associated with Brexit will potentially have a further impact on our employer partners.

Regulatory Risk - The Board of Directors maintain an up to date knowledge of general regulatory risks associated with the undertaking of the business in its marketplace. General regulatory frameworks include but are not limited to those in the areas of Health and Safety, Employment Law, and Data Protection Law. Risk is managed in these areas through the adoption of policies and procedures that address each area. An Information Security Board is in place and active to address one of the key development areas of regulatory risk.

LIFETIME TRAINING GROUP LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Financial risk management

The Company's principal financial instruments comprise bank balances, trade creditors, trade debtors and loans to and from other companies in the Group. The main purpose of these financial assets and liabilities is to provide finance for the Company's operations. The main risks the Company is exposed to are price risk, credit risk, liquidity risk and interest rate risk.

Price Risk - The Company is exposed to price risk as a result of its operations. The board closely monitors changes to prices across its markets, and reacts appropriately to such changes on a timely basis where this is deemed appropriate. This includes price changes enforced by government legislation changes.

Credit risk - The principal trade debtor of the Company is the Education and Skills Funding Agency ('ESFA'), although there is an onward risk whereby we require the employer partners that we work with to pay their apprenticeship levy to allow the ESFA to release much of the funding to us. The Company ensures that it is in compliance with all requirements as laid out in the contract between the Company and the Education and Skills Funding Agency to ensure credit risk is managed. For all other trade debtors there is close monitoring of all outstanding amounts.

Liquidity risk - The Company's finances are monitored by the directors on a continuous basis. Detailed monthly management accounts including cash flows provide directors with the information they require to manage liquidity risk. Daily cash flow forecasting and monitoring is also produced by the management to further support the directors in the management of liquidity risk. Medium and long term financial plans to include cash flows are regularly produced and monitored by the Board.

Interest rate risk - The Company has interest bearing assets only. Interest bearing assets include only cash balances, which earn interest at a variable rate.

Key performance indicators

The performance of the business is monitored at various levels, from overall company performance down to individual business operating units and teams. Detailed management financial statements are produced on a monthly basis with the appropriate information being passed to the different tiers of management. The key profit and loss performance measures considered by the board and management are turnover, gross profit margin, EBITDA and EBITDAE (earnings before interest, tax, depreciation, amortisation and exceptional items).

	2020	2019
	£	£
Turnover	59,913,051	71,486,142
Gross profit margin	88%	88%
EBITDAE	9,390,695	15,822,405

Aside from the performance as presented on the profit and loss, the cash flow performance and associated Balance Sheet positions are monitored. Detailed cash flow performance to include identification of working capital movements, capital expenditure, taxation and debt service are reviewed, with projections for future trading periods also contained within management reporting.

There are other non-financial key performance indicators monitored by the business, many of which are of particular relevance to the activities. Measures that are monitored include but are not limited to trainer activity levels, learner volumes, learner enrolment volumes, timeliness of learner progression, learner achievement rates, the quality of teaching provision, and both learner and customer satisfaction.

LIFETIME TRAINING GROUP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

This report was approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'P J Mitchell', written over a horizontal line.

P J Mitchell
Director

Date: 17 December 2020

LIFETIME TRAINING GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020

The directors present their annual report and the audited financial statements of Lifetime Training Group Limited (the "Company") for the year ended 31 July 2020.

Principal activities

The principal activity of the Company continued to be that of training services, of which the majority is apprenticeship training primarily delivered to the leisure, hospitality, retail and care industries.

Results and dividends

The profit for the financial year amounted to £6,879,657 (2019: £11,644,137).

During the year a dividend of £Nil (2019: £Nil) was paid per 1p share. The directors do not recommend the payment of a final dividend (2019: £Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

P J Mitchell
A P Khan

Going concern

The Board has reviewed detailed projections that have been produced that pay due attention to the impact of the risks and uncertainties associated with COVID-19 on future financial performance. As commented upon in the Strategic Report, the Company delivers services to clients that operate in sectors that have been the subject of significant restrictions during lockdown. The projections have considered the impact of potential ongoing restrictions on the timing of recovery in activity levels and the extent to which the overall economic impact of COVID-19 will potentially impact the trading profile of the Company and its clients.

The principal assumption within the projections is the numbers of learners to be engaged in apprenticeship programmes within the Work Based Learning division of the Company. The financial information reviewed by the Board includes detailed profit and loss and cash flow information together with the level of liquid resources available to the Company. The projections have also been shared with lenders under the terms of the group banking arrangement to which the Company is a party. Lenders have been supportive in agreeing appropriate amendments to covenants during the future periods anticipated to be impacted by COVID-19. The Company has not been in breach of its banking covenants to the date of signing of these financial statements, nor does it project that it will be in breach of banking covenants in the future.

After careful consideration of the information the Board is satisfied that the Company will continue to meet its financial obligations when due for a period of at least 12 months from the date of signing these financial statements and that preparing the financial statements on a going concern basis is appropriate.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Future developments

The future developments of the Company are discussed within the business review section of the Strategic Report on page 2.

LIFETIME TRAINING GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Financial risk management

Financial risk management of the Company and their management is discussed in the Strategic Report on page 5.

Employee involvement

The directors are committed to ensuring the employees are kept informed on matters affecting them as employees and on the various factors affecting the performance of the Company. During the year the Company made use of its Intranet to allow for timely and enhanced communications. The Company also utilised its employee forums where staff representatives from across the business meet with senior management to discuss changes and provide feedback.

Disabled employees

The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Disabled employees or potential employees are given full and fair consideration for all types of vacancy. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements 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). 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 the 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The directors 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.

LIFETIME TRAINING GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:



P J Mitchell
Director

Date: 17 December 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFETIME TRAINING GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Lifetime Training Group Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2020 and of its profit 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 July 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFETIME TRAINING GROUP LIMITED
(CONTINUED)**

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 July 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

LIFETIME TRAINING GROUP LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFETIME TRAINING GROUP LIMITED
(CONTINUED)**

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Bound (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
Date: 17 December 2020

LIFETIME TRAINING GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020**

	Note	2020 £	2019 £
Turnover	4	59,913,051	71,486,142
Cost of sales		(7,338,591)	(8,365,975)
Gross profit		<u>52,574,460</u>	<u>63,120,167</u>
Administrative expenses		(50,127,947)	(49,201,570)
Exceptional administrative expenses	6	(101,316)	(1,015,572)
Other operating income	5	4,619,119	-
Operating profit	7	<u>6,964,316</u>	<u>12,903,025</u>
Interest receivable and similar income	11	104	108
Interest payable and similar expenses	12	(10,505)	-
Profit before taxation		<u>6,953,915</u>	<u>12,903,133</u>
Tax on profit	13	(74,258)	(1,258,996)
Profit for the financial year		<u><u>6,879,657</u></u>	<u><u>11,644,137</u></u>
Total comprehensive income for the financial year		<u><u>6,879,657</u></u>	<u><u>11,644,137</u></u>

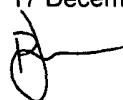
The notes on pages 16 to 33 form part of these financial statements.

LIFETIME TRAINING GROUP LIMITED
REGISTERED NUMBER: 03263608

BALANCE SHEET
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	1,781,274	1,929,482
Tangible assets	15	2,438,909	1,729,572
Investments	16	1,005,785	1,005,785
		<u>5,225,968</u>	<u>4,664,839</u>
Current assets			
Stocks	17	647	96,752
Debtors	18	85,209,156	80,952,103
Cash at bank and in hand	19	19,800,246	13,378,235
		<u>105,010,049</u>	<u>94,427,090</u>
Creditors: amounts falling due within one year	20	<u>(36,545,177)</u>	<u>(32,280,746)</u>
Net current assets		68,464,872	62,146,344
Net assets		<u>73,690,840</u>	<u>66,811,183</u>
Capital and reserves			
Called up share capital	22	112	112
Share premium account	23	268,285	268,285
Capital redemption reserve	23	24	24
Profit and loss account	23	73,422,419	66,542,762
Total shareholders' funds		<u>73,690,840</u>	<u>66,811,183</u>

The financial statements on pages 13 to 33 were approved by the Board of Directors on 17 December 2020 and signed on its behalf by:



P J Mitchell
 Director

The notes on pages 16 to 33 form part of these financial statements.

LIFETIME TRAINING GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2020**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total shareholders' funds £
At 1 August 2018	112	268,285	24	54,898,625	55,167,046
Comprehensive income for the financial year					
Profit for the financial year	-	-	-	11,644,137	11,644,137
Total comprehensive income for the financial year	-	-	-	11,644,137	11,644,137
At 31 July 2019 and 1 August 2019	112	268,285	24	66,542,762	66,811,183
Comprehensive income for the financial year					
Profit for the financial year	-	-	-	6,879,657	6,879,657
Total comprehensive income for the financial year	-	-	-	6,879,657	6,879,657
At 31 July 2020	112	268,285	24	73,422,419	73,690,840

The notes on pages 16 to 33 form part of these financial statements.

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1. General information

The principal activity of Lifetime Training Group Limited (the "Company") is that of training services, of which the majority is vocational training delivered to the leisure, hospitality, retail and care industries.

The Company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Clifton Heights, Triangle West, Bristol, BS8 1EJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standards 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of MTH Topco Limited as at 31 July 2020 and these financial statements may be obtained from Clifton Heights, Triangle West, Bristol, BS8 1EJ.

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.3 Going concern

The Board has reviewed detailed projections that have been produced that pay due attention to the impact of the risks and uncertainties associated with COVID-19 on future financial performance. As commented upon in the Strategic Report, the Company delivers services to clients that operate in sectors that have been the subject of significant restrictions during lockdown. The projections have considered the impact of potential ongoing restrictions on the timing of recovery in activity levels and the extent to which the overall economic impact of COVID-19 will potentially impact the trading profile of the Company and its clients.

The principal assumption within the projections is the numbers of learners to be engaged in apprenticeship programmes within the Work Based Learning division of the Company. The financial information reviewed by the Board includes detailed profit and loss and cash flow information together with the level of liquid resources available to the Company. The projections have also been shared with lenders under the terms of the group banking arrangement to which the Company is a party. Lenders have been supportive in agreeing appropriate amendments to covenants during the future periods anticipated to be impacted by COVID-19. The Company has not been in breach of its banking covenants to the date of signing of these financial statements, nor does it project that it will be in breach of banking covenants in the future.

After careful consideration of the information the Board is satisfied that the Company will continue to meet its financial obligations when due for a period of at least 12 months from the date of signing these financial statements and that preparing the financial statements on a going concern basis is appropriate.

2.4 Exemption from preparing consolidated financial statements

The Company is a wholly-owned subsidiary of Belcan International Limited and is included in the consolidated financial statements of Belcan International Limited which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.5 Turnover

Turnover represents amounts receivable for services provided net of VAT and trade discounts. Turnover is recognised in the profit and loss account only when the Company has met its contractual obligations and therefore earned the right to the consideration.

Income is recognised as training services are provided relating over the period of the course. Achievement income is recognised on the completion of the training and the learner has received their qualification or award.

Income from the Commercial Course business unit is recognised as training services are provided taking into consideration the delivery of training material.

The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.7 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	-	20% - 33% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.8 Leasing and hire purchase

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.15 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.16 Finance costs

Finance costs are charged to Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.18 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.22 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The Company makes estimates 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 a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Leaver provision

The Company makes an estimate of income claimed in respect of leavers that become apparent post year end. The estimate is based on experience from previous years.

Bad debt provision

The Company makes an estimate of bad debt. As the majority of the Company's income is received from Government bodies, the risk of bad debt is restricted to commercial income only. The Company calculates an estimate based on the actual overdue status of each individual debt outstanding at the year end using the same methodology applied in previous accounting periods.

Development costs

The Company makes an estimate of the time taken by staff in developing courses and materials that will be used by the Company to deliver services in the future. The costs relating to such time is capitalised as intangible development cost assets.

4. Turnover

The whole of the turnover is attributable to the Company's principal activity.

All turnover arose within the United Kingdom.

5. Other operating income

	2020	2019
	£	£
Other operating income - Coronavirus Job Retention Scheme	<u>4,619,119</u>	<u>-</u>

LIFETIME TRAINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

6. Exceptional administrative expenses

	2020 £	2019 £
Restructure of senior management	-	168,836
Consultancy fees	96,668	84,970
Exceptional pre-contract costs	-	160,085
Transition costs associated with change of IT management	-	279,604
Costs associated with the closure of beauty training division	4,648	322,077
	<u>101,316</u>	<u>1,015,572</u>

7. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Amortisation of intangible assets	1,112,969	902,801
Depreciation of tangible assets	1,212,094	1,001,007
Operating lease rentals	1,457,752	751,960
Impairment of trade debtors	509,455	472,106
Loss on sale of tangible assets	-	123,756
	<u>-</u>	<u>123,756</u>

8. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	34,000	37,000
Fees payable to the Company's auditors in respect of:		
Tax compliance services	35,000	37,000
Tax advisory services	-	6,000
All other services	12,000	18,000
	<u>47,000</u>	<u>61,000</u>

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

9. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	30,937,107	29,901,070
Social security costs	2,749,867	2,798,379
Other pension costs	1,130,776	875,314
	<u>34,817,750</u>	<u>33,574,763</u>

The average monthly number of employees, including the directors, during the year were as follows:

	2020 Number	2019 Number
Directors	2	2
Management and Administration	149	131
Tutors/Assessors	669	613
Sales and Client Engagement	188	175
Quality	68	64
Finance	11	9
IT	35	29
Marketing	12	11
HR	12	12
	<u>1,146</u>	<u>1,046</u>

10. Directors' remuneration

	2020 £	2019 £
Directors' remuneration	364,610	397,927
Company contributions to defined contribution pension schemes	29,286	22,297
	<u>393,896</u>	<u>420,224</u>

During the year retirement benefits were accruing to 2 directors (2019: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £210,351 (2019: £226,894).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,333 (2019: £10,000).

LIFETIME TRAINING GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020****11. Interest receivable and similar income**

	2020 £	2019 £
Bank interest receivable	<u>104</u>	<u>108</u>

12. Interest payable and similar expenses

	2020 £	2019 £
Interest on late payment of taxation	<u>10,505</u>	<u>-</u>

13. Tax on profit

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	1,272,235
Adjustments in respect of prior years	-	(39,580)
Total current tax	<u>-</u>	<u>1,232,655</u>
Deferred tax		
Origination and reversal of timing differences	98,686	29,439
Changes to tax rates	(24,428)	(3,098)
Total deferred tax	<u>74,258</u>	<u>26,341</u>
Total tax	<u>74,258</u>	<u>1,258,996</u>

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

13. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £	2019 £
Profit before taxation	<u>6,953,915</u>	<u>12,903,133</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,321,244	2,451,576
Effects of:		
Expenses not deductible for tax purposes	17,964	13,975
Adjustments in respect of prior years	-	(39,580)
Tax rate changes	(24,428)	(3,098)
Group relief received	(2,030,043)	(1,993,515)
Transfer pricing adjustments	<u>789,521</u>	<u>829,638</u>
Total tax charge for the financial year	<u><u>74,258</u></u>	<u><u>1,258,996</u></u>

LIFETIME TRAINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

14. Intangible assets

	Development costs £	Intellectual property £	Goodwill £	Total £
Cost				
At 1 August 2019	4,435,077	111,339	619,871	5,166,287
Additions	964,761	-	-	964,761
At 31 July 2020	<u>5,399,838</u>	<u>111,339</u>	<u>619,871</u>	<u>6,131,048</u>
Accumulated amortisation				
At 1 August 2019	2,505,595	111,339	619,871	3,236,805
Charge for the year	1,112,969	-	-	1,112,969
At 31 July 2020	<u>3,618,564</u>	<u>111,339</u>	<u>619,871</u>	<u>4,349,774</u>
Net book value				
At 31 July 2020	<u>1,781,274</u>	<u>-</u>	<u>-</u>	<u>1,781,274</u>
At 31 July 2019	<u>1,929,482</u>	<u>-</u>	<u>-</u>	<u>1,929,482</u>

Amortisation is recognised within administrative expenses in the Statement of Comprehensive Income.

LIFETIME TRAINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

15. Tangible assets

	Plant and machinery £
Cost	
At 1 August 2019	8,182,179
Additions	1,921,431
At 31 July 2020	<u>10,103,610</u>
Accumulated depreciation	
At 1 August 2019	6,452,607
Charge for the year	1,212,094
At 31 July 2020	<u>7,664,701</u>
Net book value	
At 31 July 2020	<u>2,438,909</u>
At 31 July 2019	<u>1,729,572</u>

16. Investments

	Investments in subsidiary companies £
Cost and net book value	
At 1 August 2019	1,005,785
At 31 July 2020	<u>1,005,785</u>

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

16. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Rising Stars (Health Clubs) Limited	Clifton Heights, Triangle West, Bristol, BS8 1EJ	Dormant	Ordinary	100%
Rapido Training Limited	Clifton Heights, Triangle West, Bristol, BS8 1EJ	Dormant	Ordinary	100%
Innovate Awarding Limited	Clifton Heights, Triangle West, Bristol, BS8 1EJ	Qualification Awarding and Apprenticeship Assessment Organisation	Ordinary	100%
Lifetime Training Limited	Clifton Heights, Triangle West, Bristol, BS8 1EJ	Dormant	Ordinary	100%
Lifetime Health and Fitness Limited	Clifton Heights, Triangle West, Bristol, BS8 1EJ	Dormant	Ordinary	100%

The directors believe the carrying value of the investments is supported by their underlying net assets.

17. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>647</u>	<u>96,752</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors

	2020 £	2019 £
Trade debtors	8,069,562	12,712,041
Amounts owed by group undertakings	72,281,576	65,569,460
Other debtors	1,843,119	20,070
Deferred taxation (see note 21)	133,381	207,639
Corporation tax	1,334,136	26,254
Prepayments and accrued income	1,547,382	2,416,639
	<u>85,209,156</u>	<u>80,952,103</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

LIFETIME TRAINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

19. Cash at bank and in hand

	2020 £	2019 £
Cash at bank and in hand	<u>19,800,246</u>	<u>13,378,235</u>

20. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	778,257	815,542
Amounts owed to group undertakings	30,987,624	26,327,269
Taxation and social security	1,057,649	1,303,210
Other creditors	189,423	6,806
Accruals and deferred income	3,532,224	3,827,919
	<u>36,545,177</u>	<u>32,280,746</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

21. Deferred taxation

	2020 £	2019 £
At beginning of year	207,639	233,980
Charged to the profit or loss	(74,258)	(26,341)
At end of year	<u>133,381</u>	<u>207,639</u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	99,649	169,862
Short term trading differences	33,732	37,777
	<u>133,381</u>	<u>207,639</u>

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

22. Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
11,200 (2019: 11,200) Ordinary shares of £0.01 (2019: £0.01) each	112	112

23. Reserves

Share premium account

The share premium account represents the consideration received on the issue of shares in the Company in excess of the nominal value of those shares, net of share issue costs, bonus issues of shares and any subsequent capital reductions.

Capital redemption reserve

The capital redemption reserve represents the nominal value of share capital repurchased by the Company.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,130,776 (2019: £875,314).

25. Commitments under operating leases

At 31 July the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	583,271	1,457,752
Later than 1 year and not later than 5 years	1,149,329	1,737,579
	1,732,600	3,195,331

LIFETIME TRAINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

26. Ultimate parent undertaking and controlling party

The immediate parent company is LVTG Limited, a company registered in England and Wales. The ultimate parent company is MTH Topco Limited, a company registered in England and Wales.

MTH Topco Limited is the parent company of the smallest and largest group which prepare consolidated financial statements and copies can be obtained from Clifton Heights, Bristol, BS8 1EJ.

The ultimate controlling parties as at the Balance Sheet date were the members of Silverfleet Capital Partners II, a Limited Liability Partnership registered in England and Wales.