

Registered number: 03263608

**LIFETIME TRAINING GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2018**

THURSDAY



A17 \*A817BIX7\* #90  
14/03/2019  
COMPANIES HOUSE

**LIFETIME TRAINING GROUP LIMITED**

**CONTENTS**

	Page(s)
<b>Company Information</b>	1
<b>Strategic Report</b>	2 - 3
<b>Directors' Report</b>	4 - 6
<b>Independent Auditors' Report to the Members of Lifetime Training Group Limited</b>	7 - 8
<b>Statement of Comprehensive Income</b>	9
<b>Balance Sheet</b>	10
<b>Statement of Changes in Equity</b>	11
<b>Notes to the Financial Statements</b>	12 - 27

**LIFETIME TRAINING GROUP LIMITED**

**COMPANY INFORMATION**

**Directors** P Mitchell  
A Khan

**Company secretary** P Mitchell

**Registered number** 03263608

**Registered office** Clifton Heights  
Triangle West  
Bristol  
United Kingdom  
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 2018

The directors present the Strategic Report of Lifetime Training Group Limited (the "Company") for the year ended 31 July 2018.

#### Business review

Turnover increased to £62,055k (2017: £60,884k) with the principal revenue stream of Apprenticeship training being the growth driver. The year has again seen extension of the employer client base through new client wins, and the launch of programmes with a number of clients that had been contracted with in the prior year. Strong activity with incumbent clients has further been evident.

The apprenticeship business unit of the company delivers predominantly service sector training, particularly to the Hospitality, Care, Active Leisure, Retail and Healthcare sectors. Towards the end of the prior year (May 2017) there were fundamental changes made to the apprenticeship market driven by central government reforms. Employers were mandated to financially contribute, either through the newly introduced Apprenticeship Levy of 0.5% of payroll, or in the case of employers with a payroll of less than £3m, on a partial payment per learner basis.

The reforms introduced in May 2017 also significantly changed the pricing of the incumbent apprenticeship frameworks and, where available and in agreement with our employer clients, has resulted in the transition to delivering apprenticeship training under newly produced standards. There remain some areas where this transition has not been possible as standards have not yet been made available by the Institute for Apprenticeships across all areas of provision. This business unit delivered approximately 87% (2017: 85%) of revenue.

The business-to-consumer training arm of Lifetime Training Group offers courses that allow learners to pursue career or business opportunities predominantly in the active leisure or beauty sector. This business unit delivered approximately 13% (2017: 15%) of revenue.

At the year end the company had net assets of £56,232k (2017: £45,270k) and cash balances of £8,397k (2017: £7,668k).

All revenue within the company is generated from activities associated with training in the United Kingdom.

#### Principal risks and uncertainties

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

*Government 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 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.

*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 2018

#### 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. 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.

*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.

	2018	2017
	£	£
Turnover	62,055,161	60,884,142
EBITDA	13,341,087	12,516,721
EBITDAE	13,842,194	12,635,485

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 learner achievement rates, the quality of teaching provision, and both learner and customer satisfaction.

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

  
P Mitchell  
Director

Date: 20.12.2018

## **LIFETIME TRAINING GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2018**

The directors present their annual report and the audited financial statements of Lifetime Training Group Limited (the "Company") for the year ended 31 July 2018.

#### **Principal activity**

The principal activity of Lifetime Training Group Limited continued to be that of training services, of which the majority is apprenticeship training primarily delivered to the leisure, hospitality, retail and care industries. Towards the end of the prior year (May 2017), reforms were introduced by the UK Government in respect of the delivery and funding of apprenticeship training programmes, with the introduction of the Apprenticeship Levy being a key element of those reforms. Amounts paid by employers in respect of their levy charges have been an important and growing element of the revenue stream of the company in the year; this source of funding is increasingly replacing those funds that are awarded direct from UK government budgets as had been the case prior to May 2017, and on a run-off basis for learners that were on programme at the time of the introduction of the reforms.

#### **Financial risk management**

Financial risk management of the company and their management is discussed in the Strategic Report on page 3.

#### **Results and dividends**

The profit for the financial year, amounted to £10,962,224 (2017: £10,002,869).

During the year a dividend of £Nil (2017: £Nil) was paid per 1p share. The directors do not recommend the payment of a final dividend (2017: £Nil).

#### **Directors**

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

P Mitchell  
A Khan

#### **Future developments**

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

#### **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.

## LIFETIME TRAINING GROUP LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

#### 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.

#### Qualifying third party indemnity provisions

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 to 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.

#### 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.

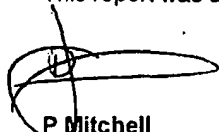
**LIFETIME TRAINING GROUP LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2018**

**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 Mitchell**  
Director

Date: 20.12.2018

**LIFETIME TRAINING GROUP LIMITED**

**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 2018 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 2018; 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 when:

- 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.

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.

---

## LIFETIME TRAINING GROUP LIMITED

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

#### *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 2018 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 5, 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](http://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.

---

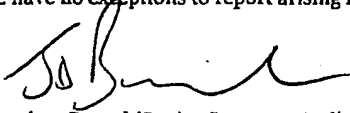
## **Other required reporting**

### **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: 20 December 2018

**LIFETIME TRAINING GROUP LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2018**

	Note	2018 £	2017 £
Turnover	4	62,055,161	60,884,142
Cost of sales		<u>(4,973,031)</u>	<u>(7,600,850)</u>
<b>Gross profit</b>		<b>57,082,130</b>	<b>53,283,292</b>
Administrative expenses		(44,949,134)	(42,269,638)
Exceptional administrative expenses	5	<u>(501,107)</u>	<u>(118,764)</u>
<b>Operating profit</b>	6	<b>11,631,889</b>	<b>10,894,890</b>
Interest receivable and similar income	10	<u>24</u>	<u>2,825</u>
<b>Profit before tax</b>		<b>11,631,913</b>	<b>10,897,715</b>
Tax on profit	11	<u>(669,689)</u>	<u>(894,846)</u>
<b>Profit for the financial year</b>		<b><u>10,962,224</u></b>	<b><u>10,002,869</u></b>
<b>Total comprehensive income for the financial year</b>		<b><u>10,962,224</u></b>	<b><u>10,002,869</u></b>

The notes on pages 12 to 27 form part of these financial statements.

**LIFETIME TRAINING GROUP LIMITED**  
**REGISTERED NUMBER: 03263608**

**BALANCE SHEET**  
**AS AT 31 JULY 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	12	1,275,345	1,045,140
Tangible assets	13	1,611,457	1,913,000
Investments	14	1,005,785	1,005,785
		<u>3,892,587</u>	<u>3,963,925</u>
<b>Current assets</b>			
Stocks	15	115,992	113,365
Debtors	16	70,806,345	58,067,685
Cash at bank and in hand	17	8,397,266	7,668,347
		<u>79,319,603</u>	<u>65,849,397</u>
Creditors: amounts falling due within one year	18	(26,980,299)	(24,543,655)
<b>Net current assets</b>		<u>52,339,304</u>	<u>41,305,742</u>
<b>Total assets less current liabilities</b>		<u>56,231,891</u>	<u>45,269,667</u>
<b>Capital and reserves</b>			
Called up share capital	20	112	112
Share premium account	21	268,285	268,285
Capital redemption reserve	21	24	24
Profit and loss account	21	55,963,470	45,001,246
<b>Total shareholders' funds</b>		<u>56,231,891</u>	<u>45,269,667</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**P Mitchell**  
 Director

Date: 20.12.2018

The notes on pages 12 to 27 form part of these financial statements.

LIFETIME TRAINING GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2018

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£	£
At 1 August 2016	112	268,285	24	34,998,377	35,266,798
Profit for the financial year	-	-	-	10,002,869	10,002,869
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,002,869</b>	<b>10,002,869</b>
At 1 August 2017	112	268,285	24	45,001,246	45,269,667
Profit for the financial year	-	-	-	10,962,224	10,962,224
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,962,224</b>	<b>10,962,224</b>
<b>At 31 July 2018</b>	<b>112</b>	<b>268,285</b>	<b>24</b>	<b>55,963,470</b>	<b>56,231,891</b>

The notes on pages 12 to 27 form part of these financial statements.

## LIFETIME TRAINING GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

#### 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 and is incorporated and domiciled in the UK. The address of its registered office is Clifton Heights, Triangle West, Bristol, United Kingdom, BS8 1EJ.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared on going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 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 2018 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 2018

#### 2. Accounting policies (continued)

##### 2.3 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 rateably 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.

##### 2.4 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 of three years. 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 2018

#### 2. Accounting policies (continued)

##### 2.5 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
---------------------	---------------------------

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.

##### 2.6 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.

##### 2.7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.8 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.

##### 2.9 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.

## LIFETIME TRAINING GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

#### 2. Accounting policies (continued)

##### 2.10 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.

##### 2.11 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.

##### 2.12 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 2018**

**2. Accounting policies (continued)**

**2.13 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.

**2.14 Interest income**

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

**2.15 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.

**LIFETIME TRAINING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

**2. Accounting policies (continued)**

**2.16 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.

**2.17 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 2018

#### 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. Exceptional items

	2018	2017
	£	£
Restructure of senior management	225,142	65,050
Consultancy fees	24,000	53,714
Other restructuring costs	251,965	-
	<u>501,107</u>	<u>118,764</u>

**LIFETIME TRAINING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

**6. Operating profit**

The operating profit is stated after charging:

	2018 £	2017 £
Amortisation of intangible assets	679,394	485,362
Depreciation of tangible assets	1,029,804	1,043,650
Operating lease rentals	316,815	318,500
Impairment of trade debtors	226,695	866,201
	<u>2,252,708</u>	<u>2,713,713</u>

**7. Auditors' remuneration**

	2018 £	2017 £
Fees payable to the company's auditors for the audit of the company's annual financial statements	35,000	35,000
<b>Fees payable to the company's auditors in respect of:</b>		
Tax compliance services	25,000	25,000
Tax advisory services	61,000	23,000
All other services	30,000	33,000
	<u>116,000</u>	<u>91,000</u>

**LIFETIME TRAINING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

**8. Employees**

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

	2018 £	2017 £
Wages and salaries	27,192,378	25,571,482
Social security costs	2,590,793	2,455,355
Other pension cost	581,685	462,916
	<u>30,364,856</u>	<u>28,489,753</u>

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

	2018 Number	2017 Number
Directors	2	2
Management	113	113
Tutors/Assessors	553	515
Sales and National Accounts	170	142
Quality Improvement	65	54
Finance	8	8
IT	26	27
Marketing	12	13
Human Resources	11	10
	<u>960</u>	<u>884</u>

**9. Directors' remuneration**

	2018 £	2017 £
Directors' remuneration	371,244	454,963
Company contributions to defined contribution pension schemes	26,659	26,286
	<u>397,903</u>	<u>481,249</u>

During the year retirement benefits were accruing to 2 directors (2017: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £226,304 (2017: £281,074).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2017: £13,213).

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018

10. Interest receivable and similar income

	2018 £	2017 £
Bank interest receivable	<u>24</u>	<u>2,825</u>

11. Tax on profit

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	869,381	931,041
Adjustments in respect of prior years	(171,722)	(9)
<b>Total current tax</b>	<u>697,659</u>	<u>931,032</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(31,431)	(52,936)
Changes to tax rates	3,308	16,603
Adjustment in respect of prior years	153	147
<b>Total deferred tax</b>	<u>(27,970)</u>	<u>(36,186)</u>
<b>Total tax</b>	<u>669,689</u>	<u>894,846</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.67%). The differences are explained below:

	2018 £	2017 £
Profit before tax	<u>11,631,913</u>	<u>10,898,715</u>
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.67%)	2,210,063	2,143,314
<b>Effects of:</b>		
Expenses not deductible for tax purposes	12,328	12,677
Adjustments to tax charge in respect of prior years	(171,569)	138
Tax rate changes	3,310	16,603
Group relief	(2,107,907)	(1,793,335)
Transfer pricing adjustments	723,464	515,449
<b>Total tax charge for the year</b>	<u>669,689</u>	<u>894,846</u>

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018

11. Tax on profit (continued)

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using this enacted tax rate and reflected in these financial statements.

12. Intangible assets

	Intellectual property £	Goodwill £	Development costs £	Total £
<b>Cost</b>				
At 1 August 2017	111,339	619,871	1,981,653	2,712,863
Additions	-	-	909,599	909,599
At 31 July 2018	<u>111,339</u>	<u>619,871</u>	<u>2,891,252</u>	<u>3,622,462</u>
<b>Accumulated amortisation</b>				
At 1 August 2017	111,339	460,357	1,096,027	1,667,723
Charge for the year	-	91,717	587,677	679,394
At 31 July 2018	<u>111,339</u>	<u>552,074</u>	<u>1,683,704</u>	<u>2,347,117</u>
<b>Net book value</b>				
At 31 July 2018	<u>-</u>	<u>67,797</u>	<u>1,207,548</u>	<u>1,275,345</u>
At 31 July 2017	<u>-</u>	<u>159,514</u>	<u>885,626</u>	<u>1,045,140</u>

**LIFETIME TRAINING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

**13. Tangible assets**

	<b>Plant and machinery £</b>
<b>Cost</b>	
At 1 August 2017	6,423,735
Additions	728,261
At 31 July 2018	<u>7,151,996</u>
<b>Accumulated depreciation</b>	
At 1 August 2017	4,510,735
Charge for the year	1,029,804
At 31 July 2018	<u>5,540,539</u>
<b>Net book value</b>	
At 31 July 2018	<u>1,611,457</u>
At 31 July 2017	<u>1,913,000</u>

**14. Investments.**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
At 1 August 2017	1,005,785
At 31 July 2018	<u>1,005,785</u>
<b>Net book value</b>	
At 31 July 2018	<u>1,005,785</u>
At 31 July 2017	<u>1,005,785</u>

**LIFETIME TRAINING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

**14. Investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Rising Stars (Health Clubs) Limited	Ordinary	100 %	Dormant
Rapido Training Limited	Ordinary	100 %	Dormant
Innovate Awarding Ltd	Ordinary	100 %	Qualification Awarding Body
Lifetime Training Limited	Ordinary	100 %	Dormant
Lifetime Health and Fitness Limited	Ordinary	100 %	Dormant

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

The registered address of each of the above companies is Clifton Heights, Triangle West, Bristol, BS8 1EJ.

**15. Stocks**

	2018	2017
	£	£
Finished goods and goods for resale	<u>115,992</u>	<u>113,365</u>

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

**16. Debtors**

	2018	2017
	£	£
Trade debtors	13,106,473	9,895,560
Amounts owed by group undertakings	54,370,888	45,479,083
Deferred taxation (see note 19)	233,980	206,011
Prepayments and accrued income	3,095,004	2,487,031
	<u>70,806,345</u>	<u>58,067,685</u>

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

**17. Cash at bank and in hand**

	2018	2017
	£	£
Cash at bank and in hand	<u>8,397,266</u>	<u>7,668,347</u>

**LIFETIME TRAINING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

**18. Creditors: amounts falling due within one year**

	2018 £	2017 £
Trade creditors	634,308	601,201
Amounts owed to group undertakings	21,073,891	19,195,166
Corporation tax	225,476	274,141
Other taxation and social security	832,571	952,275
Other creditors	116,313	104,158
Accruals and deferred income	4,097,740	3,416,714
	<u>26,980,299</u>	<u>24,543,655</u>

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

**19. Deferred taxation**

	2018 £
At beginning of year	206,011
Charged to the profit or loss	28,123
Other - rounding	(1)
Adjustment in respect of prior years	(153)
<b>At end of year</b>	<u>233,980</u>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Fixed asset timing differences	210,863	180,322
Short term trading differences	23,117	25,689
	<u>233,980</u>	<u>206,011</u>

**LIFETIME TRAINING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

**20. Called up share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
11,200 (2017: 11,200) Ordinary shares of £0.01 each	112	112

**21. 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.

**22. 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 £581,685 (2017: £462,916).

**23. Commitments under operating leases**

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

	2018 £	2017 £
Not later than 1 year	751,960	459,621
Later than 1 year and not later than 5 years	1,463,433	560,388
Later than 5 years	498,581	-
	<u>2,713,974</u>	<u>1,020,009</u>

**LIFETIME TRAINING GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

**24. 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.