

Registered number: 03263608

LIFETIME TRAINING GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019



LIFETIME TRAINING GROUP LIMITED

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LIFETIME TRAINING GROUP LIMITED

COMPANY INFORMATION

Directors	P J Mitchell A P 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 2019

The directors present the Strategic Report of Lifetime Training Group Limited (the "Company") for the year ended 31 July 2019.

Business review

Turnover increased to £71,486k (2018: £61,853k) with the principal revenue stream of Apprenticeship training being the growth driver. 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.

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. There are 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.

One key change that has been evident in the year is that large volumes of learners have for the first time experienced End Point Assessment by an independent organization, a key part of the apprenticeship reforms in May 2017. The partnership that the company has developed with its chosen assessment partner has allowed the company to successfully implement this new assessment method for learners that have completed their core training period under an apprenticeship standard.

The business-to-consumer training unit of the company has continued to successfully offer courses that allow learners to pursue career or business opportunities predominantly in the active leisure sector. At the start of the year the company took the decision to close the operations that it had built over the previous two years to deliver training in the beauty sector. The costs associated with the closure are identified within the exceptional costs at note 5. The commercial business unit accounted for a reduced 9% (2018 : 13%) of revenue, the reduction resulting from the combination of the closure of part of the activities but also due to the very strong growth in apprenticeship related revenues.

LIFETIME TRAINING GROUP LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

Impact of Covid-19

Between the Balance Sheet date and the date of signing of these financial statements, the COVID-19 pandemic has had an impact on the level of worldwide economic activity, and as a consequence also on the level of activity undertaken by the Company from mid-March 2020. The impact is continuing after the date of signing of these financial statements. 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 as the central government imposed lockdown restrictions of COVID-19 ease.

The Company has taken advantage of the support offered by the government to aid businesses to navigate the impact of COVID-19, and principally for the Company this has been in the form of utilisation of the Coronavirus Job Retention Scheme ("CJRS"). The Company has regularly assessed the levels of activity across all its business units and has furloughed an appropriate level of staff in accordance with the rules of the CJRS. As apprentices continue to return to active learning, the Company is continuing to review the levels of staff furloughed to ensure appropriate levels of resources are available to the learners, and also to support the trainer teams.

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 2019

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.

	2019	2018
	£	£
Turnover	71,486,142	61,852,845
EBITDA	14,806,833	13,138,771
EBITDAE	15,822,405	13,639,878

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:


R J Mitchell
Director

Date: 29. July. 2020

LIFETIME TRAINING GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

The directors present their annual report and the audited financial statements of Lifetime Training Group Limited (the "Company") for the year ended 31 July 2019.

Principal activities

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.

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 £11,644,137 (2018: £10,759,908).

During the year a dividend of £Nil (2018: £Nil) was paid per 1p share. The directors do not recommend the payment of a final dividend (2018: £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 to identify the potential impact of COVID-19 on future financial performance. The key assumptions within the projections are 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.

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 2019

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 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.

Post balance sheet events

The impact Covid-19 on the operations of the Company is set out in note 26 of the financial statements.

LIFETIME TRAINING GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019**

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:



R. J. Mitchell
Director

Date: 29. July. 2020

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 2019 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 2019; 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

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.

We have nothing to report in respect of the above matters.

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.

LIFETIME TRAINING GROUP LIMITED

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 2019 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. 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.

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: 29 July 2020

LIFETIME TRAINING GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2019**

	Note	2019 £	As restated 2018 £
Turnover	4	71,486,142	61,852,845
Cost of sales		(8,365,975)	(4,973,031)
Gross profit		63,120,167	56,879,814
Administrative expenses		(49,201,570)	(44,949,134)
Exceptional administrative expenses	5	(1,015,572)	(501,107)
Operating profit	6	12,903,025	11,429,573
Interest receivable and similar income	10	108	24
Profit before taxation		12,903,133	11,429,597
Tax on profit	11	(1,258,996)	(669,689)
Profit for the financial year		11,644,137	10,759,908
		11,644,137	10,759,908

The notes on pages 14 to 31 form part of these financial statements.

LIFETIME TRAINING GROUP LIMITED
REGISTERED NUMBER: 03263608

BALANCE SHEET
AS AT 31 JULY 2019

	Note	2019 £	As restated 2018 £
Fixed assets			
Intangible assets	12	1,929,482	1,275,345
Tangible assets	13	1,729,572	1,611,457
Investments	14	1,005,785	1,005,785
		<u>4,664,839</u>	<u>3,892,587</u>
Current assets			
Stocks	15	96,752	115,992
Debtors	16	80,952,103	69,538,334
Cash at bank and in hand	17	13,378,235	8,397,266
		<u>94,427,090</u>	<u>78,051,592</u>
Creditors: amounts falling due within one year	18	(32,280,746)	(26,777,133)
Net current assets		<u>62,146,344</u>	<u>51,274,459</u>
Total assets less current liabilities		<u>66,811,183</u>	<u>55,167,046</u>
Capital and reserves			
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	66,542,762	54,898,625
Total shareholders' funds		<u>66,811,183</u>	<u>55,167,046</u>

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


P J Mitchell
 Director

Date: 29. JULY. 2020

The notes on pages 13 to 29 form part of these financial statements.

LIFETIME TRAINING GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£	£
At 1 August 2017 (as previously stated)	112	268,285	24	45,001,246	45,269,667
Prior year adjustment (note 25)	-	-	-	(862,529)	(862,529)
At 1 August 2017 (as restated)	112	268,285	24	44,138,717	44,407,138
Comprehensive income for the financial year					
Profit for the financial year (Restated)	-	-	-	10,759,908	10,759,908
Total comprehensive income for the financial year	-	-	-	10,759,908	10,759,908
At 31 July 2018 and 1 August 2018 (as previously stated)	112	268,285	24	55,963,470	56,231,891
Prior year adjustment (note 25)	-	-	-	(1,064,845)	(1,064,845)
At 31 July 2018 and 1 August 2018 (as restated)	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	112	268,285	24	66,542,762	66,811,183

The notes on pages 14 to 31 form part of these financial statements.

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

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 a 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 2019 and these financial statements may be obtained from Clifton Heights, Triangle West, Bristol, BS8 1EJ.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

2. Accounting policies (continued)

2.3 Going concern

The Board has reviewed detailed projections that have been produced to identify the potential impact of COVID-19 on future financial performance. The key assumptions within the projections are 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.5 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.

2.6 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.

2.7 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.

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

2. Accounting policies (continued)

2.13 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.

2.14 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.

2.15 Interest income

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

2.16 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

2. Accounting policies (continued)

2.17 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.

2.18 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.

2.19 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

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 administrative expenses

	2019	2018
	£	£
Restructure of senior management	168,836	225,142
Consultancy fees	84,970	24,000
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	322,077	-
Other restructuring costs	-	251,965
	1,015,572	501,107

LIFETIME TRAINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

6. Operating profit

The operating profit is stated after charging:

	2019	2018
	£	£
Amortisation of intangible assets	902,801	679,394
Depreciation of tangible assets	1,001,007	1,029,804
Operating lease rentals	751,960	751,960
Impairment of trade debtors	472,106	226,695
Loss on sale of tangible assets	123,756	-
	<u><u> </u></u>	<u><u> </u></u>

7. Auditors' remuneration

	2019	2018
	£	£
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	37,000	35,000
Fees payable to the Company's auditors in respect of:		
Tax compliance services	37,000	25,000
Tax advisory services	6,000	61,000
All other services	18,000	30,000
	<u><u>61,000</u></u>	<u><u>116,000</u></u>

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

8. Employees

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

	2019 £	2018 £
Wages and salaries	29,901,070	27,192,378
Social security costs	2,798,379	2,590,793
Other pension cost	875,314	581,685
	<u>33,574,763</u>	<u>30,364,856</u>

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

	2019 Number	2018 Number
Directors	2	2
Management	131	113
Tutors/Assessors	613	553
Sales and National Accounts	175	170
Quality Improvement	64	65
Finance	9	8
IT	29	26
Marketing	11	12
Human Resources	12	11
	<u>1,046</u>	<u>960</u>

LIFETIME TRAINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

9. Directors' remuneration

	2019 £	2018 £
Directors' remuneration	397,927	371,244
Company contributions to defined contribution pension schemes	22,297	26,659
	<u>420,224</u>	<u>397,903</u>

During the year retirement benefits were accruing to 2 directors (2018: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £236,984 (2018: £226,304).

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 (2018: £10,000).

10. Interest receivable and similar income

	2019 £	2018 £
Bank interest receivable	<u>108</u>	<u>24</u>

11. Tax on profit

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	1,272,235	869,381
Adjustments in respect of prior years	(39,580)	(171,722)
Total current tax	<u>1,232,655</u>	<u>697,659</u>
Deferred tax		
Origination and reversal of timing differences	29,439	(31,431)
Changes to tax rates	(3,098)	3,308
Adjustments in respect of prior years	-	153
Total deferred tax	<u>26,341</u>	<u>(27,970)</u>
Total tax	<u>1,258,996</u>	<u>669,689</u>

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

11. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019 £	2018 £
Profit before taxation	<u>12,903,133</u>	<u>11,429,597</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	2,451,576	2,171,623
Effects of:		
Expenses not deductible for tax purposes	13,975	12,328
Adjustments in respect of prior years	(39,580)	(171,569)
Tax rate changes	(3,098)	3,310
Group relief	(1,993,515)	(2,069,467)
Transfer pricing adjustments	<u>829,638</u>	<u>723,464</u>
Total tax charge for the financial year	<u><u>1,258,996</u></u>	<u><u>669,689</u></u>

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.

LIFETIME TRAINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

12. Intangible assets

	Development costs £	Intellectual property £	Goodwill £	Total £
Cost				
At 1 August 2018	2,891,252	111,339	619,871	3,622,462
Additions	1,561,908	-	-	1,561,908
Disposals	(18,083)	-	-	(18,083)
At 31 July 2019	<u>4,435,077</u>	<u>111,339</u>	<u>619,871</u>	<u>5,166,287</u>
Accumulated amortisation				
At 1 August 2018	1,683,704	111,339	552,074	2,347,117
Charge for the year	835,004	-	67,797	902,801
On disposals	(13,113)	-	-	(13,113)
At 31 July 2019	<u>2,505,595</u>	<u>111,339</u>	<u>619,871</u>	<u>3,236,805</u>
Net book value				
At 31 July 2019	<u><u>1,929,482</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,929,482</u></u>
At 31 July 2018	<u><u>1,207,548</u></u>	<u><u>-</u></u>	<u><u>67,797</u></u>	<u><u>1,275,345</u></u>

LIFETIME TRAINING GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

13. Tangible assets

	Plant and machinery £
Cost	
At 1 August 2018	7,151,996
Additions	1,175,007
Disposals	(144,824)
At 31 July 2019	<u>8,182,179</u>
Accumulated depreciation	
At 1 August 2018	5,540,539
Charge for the year	1,001,007
Disposals	(88,939)
At 31 July 2019	<u>6,452,607</u>
Net book value	
At 31 July 2019	<u>1,729,572</u>
At 31 July 2018	<u>1,611,457</u>

14. Investments

	Investments in subsidiary companies £
Cost and net book value	
At 1 August 2018	1,005,785
At 31 July 2019	<u>1,005,785</u>

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

14. 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 Body	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.

15. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>96,752</u>	<u>115,992</u>

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

LIFETIME TRAINING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

16. Debtors

	2019 £	As restated 2018 £
Trade debtors	12,712,041	11,838,462
Amounts owed by group undertakings	65,569,460	54,370,888
Other debtors	20,070	-
Deferred taxation (see note 19)	207,639	233,980
Prepayments and accrued income	2,416,639	3,095,004
Corporation tax	26,254	-
	<u>80,952,103</u>	<u>69,538,334</u>

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

17. Cash at bank and in hand

	2019 £	2018 £
Cash at bank and in hand	<u>13,378,235</u>	<u>8,397,266</u>

18. Creditors: amounts falling due within one year

	2019 £	As restated 2018 £
Trade creditors	815,542	634,308
Amounts owed to group undertakings	26,327,269	21,073,891
Corporation tax	-	22,310
Other taxation and social security	1,303,210	832,571
Other creditors	6,806	116,313
Accruals and deferred income	3,827,919	4,097,740
	<u>32,280,746</u>	<u>26,777,133</u>

Amounts owed to 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 2019

19. Deferred taxation

	2019 £
At beginning of year	233,980
Charged to the profit or loss	(26,341)
At end of year	207,639

The deferred tax asset is made up as follows:

	2019 £	2018 £
Fixed asset timing differences	169,862	210,863
Short term trading differences	37,777	23,117
	<u>207,639</u>	<u>233,980</u>

20. Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid		
11,200 (2018: 11,200) Ordinary shares of £0.01 each	<u>112</u>	<u>112</u>

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

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 £875,314 (2018: £581,685).

23. Commitments under operating leases

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

	2019 £	2018 £
Not later than 1 year	1,457,752	751,960
Later than 1 year and not later than 5 years	1,737,579	1,463,433
Later than 5 years	-	498,581
	<u>3,195,331</u>	<u>2,713,974</u>

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.

25. Prior year adjustment

During the year an error was identified which had led to an overclaim of funding for apprenticeships from the Education and Skill Funding Agency prior to May 2017. This resulted in the overstatement of revenue of £202,316 relating to the year ended 31 July 2018 and £1,065,695 in total for the year ended 31 July 2017 and 31 July 2016. The net of tax impact of the above error has been recorded as a prior year adjustment to the comparatives in these financial statements. Revenue and profit for the year ended 31 July 2018 has been reduced by £202,316 and brought forward reserve at 1 August 2017 reduced by £862,529. The previously reported trade debtor and corporation tax creditor at 31 July 2018 have been reduced by £1,268,011 and £203,166 respectively.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

26. Post balance sheet events

Between the Balance Sheet date and the date of signing of these financial statements, the COVID-19 pandemic has had an impact on the level of worldwide economic activity, and as a consequence also on the level of activity undertaken by the Company from mid-March 2020. The impact is continuing after the date of signing of these financial statements. 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 as the central government imposed lockdown restrictions of COVID-19 ease.

The Company has taken advantage of the support offered by the government to aid businesses to navigate the impact of COVID-19, and principally for the Company this has been in the form of utilisation of the Coronavirus Job Retention Scheme ("CJRS"). The Company has regularly assessed the levels of activity across all its business units and has furloughed an appropriate level of staff in accordance with the rules of the CJRS. As apprentices continue to return to active learning, the Company is continuing to review the levels of staff furloughed to ensure appropriate levels of resources are available to the learners, and also to support the trainer teams.