



# **The FutureLets Limited**

**Annual Report and Financial Statements  
For the year ended 31 July 2018**

**Registered number: 09136328**

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## General information

Directors	Appointed	Resigned
The following were members of the Board of Directors during the year ended 31 July 2018 and to the date of signing this report, unless stated otherwise.		
Mr N Alcock	18 October 2018	
Ms N Wynn- Evans	18 October 2018	
Mr I Dunn		2 October 2018
Mr F Mills		12 November 2018
Ms T Cullis		12 November 2018
Director and Chair of the Board		
Mr R Stockdale		4 October 2018
Mr A Meehan	18 October 2018	
Company Secretary		
Mr M Challoner		29 December 2017
Ms G L Towns	12 June 2018	

## General information (Continued)

Registered office		
Company Secretariat		
Alan Berry Building		
Coventry University		
Priory Street		
Coventry		
CV1 5FB		
Registered number: 09136328		

Auditor	Bankers	
BDO LLP		Barclays Bank
Chartered Accountants and Statutory Auditor		
Two Snowhill		25 High Street
Birmingham		Coventry
B4 6GA		CV1 5QZ

# The FutureLets Limited

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## Directors' report

The Directors present their annual report on the affairs of The FutureLets Limited ('the company'), together with the financial statements and auditor's report for the year ended 31 July 2018.

In preparing this Directors' report, the directors have taken advantage of the small companies' exemptions available.

Under the provisions of S414B of the Companies Act 2006, the company is entitled to small company exemption in relation to the preparation of a Strategic report.

### Legal status

The FutureLets Limited was incorporated in United Kingdom on 17 July 2014 and commenced trading on 1 July 2015.

### Changes to directors

The Board of Governors requested a review of the Governance structure of the University and the subsidiaries of which it is the ultimate parent.

This review led to the recommendation to set up three advisory committees; Educational, Commercial and International.

The Advisory Committees are advisory only and are not legal entities. The members of the Advisory Committee are also directors of the subsidiaries within their remit, where these subsidiaries are based in the UK.

The FutureLets Limited is under the remit of the Commercial Advisory Committee.

The directors who have been appointed, as set out in the General Information section sit on the Commercial Advisory Committee. This new structure is supported by a delegation schedule and an inter-group agreement.

### Going concern

The directors believe that the company is a going concern. The directors believe that revenues generated from The FutureLets Limited's business activities will be sufficient to support its planned requirements for the foreseeable future and at least the next twelve months from the date of these financial statements. The financial statements have therefore been prepared on a going concern basis.

### Principal Activities

The main activities of The FutureLets Limited are concerned with management and placement of students into student accommodation predominantly on behalf of Coventry University. The business has two

key arms, one focuses on purpose built student accommodation (PBSA) whether that is University owned or privately owned whilst the other focuses on the private residential rental market.

### Directors and their interests

Directors who held office during the year can be seen on page 1. None of the directors have any beneficial interest in the shares of the company related to their undertakings with The FutureLets Limited.

### Director's indemnities

The company has made qualifying third party indemnity provision for the benefit of its directors which were made during the year and remain in force at the date of this report.

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and;
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

BDO LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

## Directors' report (Continued)

### Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year.

Approved by the Board and signed on its behalf by:



Mr A Meehan  
Director

Date: 27 November 2018

## Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, United Kingdom accounting standards and applicable law including FRS102 (the Financial Reporting Standard applicable in the UK & Republic of Ireland). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Independent auditor's report to members of The FutureLets Limited

### Opinion

We have audited the financial statements of The FutureLets Limited ("the Company") for the year ended 31 July 2018 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



## Independent Auditor's report to members of Futurelets Limited (Continued)

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Samantha Lifford (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Birmingham  
Date: 29.10.2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Profit and loss account

For the year ended 31 July 2018

	Note	2017/18	2016/17
		£000	£000
Turnover	3	3,709	2,725
Cost of sales		(2,478)	(2,261)
<b>Gross profit</b>		<b>1,231</b>	<b>464</b>
Administrative costs		(1,067)	(550)
<b>Operating profit/(loss)</b>	6	<b>164</b>	<b>(86)</b>
Interest payable	7	(16)	(15)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>148</b>	<b>(101)</b>
Taxation	8	(56)	38
<b>Profit/(loss) on ordinary activities after taxation and retained for the year</b>		<b>92</b>	<b>(63)</b>

All income and expenditure has arisen from continuing activities. The profit and loss account represents cumulative profits or losses, net of dividends paid.

The notes on pages 12 to 22 form part of these financial statements.

## Statement of comprehensive income

For the year ended 31 July 2018

	Note	2017/18	2016/17
		£000	£000
<b>Profit (loss) for the financial year</b>		<b>92</b>	<b>(63)</b>
Actuarial (losses)/gain on defined benefit pension scheme		(11)	96
Taxation		2	(46)
<b>Total comprehensive income attributable to equity shareholders of the Company</b>		<b>83</b>	<b>(13)</b>

The notes on pages 12 to 22 form part of these financial statements.

# The FutureLets Limited

## Balance Sheet

As at 31 July 2018

	Note	2018	2017
		£000	£000
<b>Current assets</b>			
Debtors	9	303	498
Cash at bank and in hand		1,310	492
<b>Total current assets</b>		<b>1,613</b>	<b>990</b>
<b>Current liabilities</b>			
Creditors - amounts falling due within one year	10	(1,190)	(734)
<b>Net current assets</b>		<b>423</b>	<b>256</b>
<b>Total assets less current liabilities</b>		<b>423</b>	<b>256</b>
Provisions for liabilities	11	(780)	(696)
<b>Net liabilities</b>		<b>(357)</b>	<b>(440)</b>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account		(357)	(440)
<b>Total shareholder's deficit</b>		<b>(357)</b>	<b>(440)</b>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements of The FutureLets Limited (registered number 09136328) were approved by the Board of Directors and authorised for issue on 19 November 2018. The notes on pages 12 to 22 form part of these financial statements. They were signed on its behalf by:



Mr A Meehan  
Director

Date: 27 November 2018

## Statement of changes in equity

At 31 July 2018

	Called up share capital	Profit and loss account	Total
	£000	£000	£000
<b>Balances at 1 August 2016</b>	-	(557)	(557)
<b>Total comprehensive income for the year</b>			
Loss for the year	-	(109)	(109)
Actuarial gain on defined benefit pension scheme	-	96	96
<b>Transactions with owners, recorded directly in equity</b>			
Issue of shares	130	-	130
Reduction in share capital	(130)	130	-
<b>Balances at 31 July 2017</b>	-	(440)	(440)
<b>Balances at 1 August 2017</b>	-	(440)	(440)
<b>Total comprehensive income for the year</b>			
Profit for the year	-	92	92
Actuarial losses on defined benefit pension scheme	-	(11)	(11)
Taxation	-	2	2
<b>Balances at 31 July 2018</b>	-	(357)	(357)

The profit and loss account represents cumulative profits or losses net of dividends paid. Called up share capital represents the nominal value of the shares issued.

The notes on pages 12 to 22 form part of these financial statements.

## Notes to the financial statements

For the year ended 31 July 2018

### 1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and to the preceding year.

#### a. General information and basis of accounting

The FutureLets Limited ('the Company') is a company limited by shares and incorporated and domiciled in the United Kingdom. The address of the registered office is given on page 2.

The nature of the Company's operations and its principal activities are set out in the Director's report on page 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (The financial reporting standard applicable in the UK and Republic of Ireland ("FRS 102")).

The presentation currency of these financial statements is sterling. All amounts have been rounded to the nearest £000 unless otherwise stated.

The Company is consolidated in the financial statements of its ultimate parent, Coventry University, which may be obtained from Coventry University, Priory Street, Coventry, CV1 5FB.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement and remuneration of key management personnel.

#### b. Going concern

The Directors believe that financial resources generated from business activities are sufficient to support planned requirements for the foreseeable future and at least the next twelve months from the date of these financial statements.

The financial statements have therefore been prepared on a going concern basis.

#### c. Business segments

The business activities fall into one class of business which is conducted predominantly in the UK.

#### d. Income Recognition

Income from services rendered is included when the services are supplied to customers or the terms of the contract have been satisfied.

#### e. Employment benefits

##### (i) Short-term employee benefits

Short term employment benefits such as salaries and short term compensated absences are recognised as an expense in the year in which the employee renders the service. Any unused benefits are accrued and measured as the additional amount expected to be paid as a result of the unused entitlement.

#### f. Accounting for retirement benefits

##### (i) Defined Contribution Plan

The company participates in a defined contribution scheme provided by Aviva in accordance with the Group personal pension plan arrangement.

The scheme is accounted for on a defined contribution basis and the contributions to the scheme are included as expenditure in the period in which they are payable. The assets and liabilities of the provider are held independently from the company.

##### (ii) Defined Benefit plans

The Company's net obligation in respect of defined benefit pension schemes is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated corporate bonds that have maturity dates approximating to the terms the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements. Provision is made for enhanced pensions where employees have taken early retirement.

## Notes to the financial statements (Continued)

For the year ended 31 July 2018

The amounts charged to operating profit and loss are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within interest and other finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other income.

Where the Company, however, is unable to identify its share of multi-employer defined benefit schemes underlying assets and liabilities on a consistent and reasonable basis these are accounted for as defined contribution plans. Employer contributions are recognised as an expense in the Profit and Loss account in the periods during which services are rendered by employees. No liability for future payments of benefits is recognised in the Balance Sheet, except where, there is a contractual commitment to fund a past deficit and in which case a provision is recognised in the balance sheet and movements in the provision are charged/credited to the Statement of comprehensive income.

### g. Operating leases

Costs in respect of operating leases are charged to the Profit and Loss Account on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term. Rental Income from operating leases is recognised on a straight-line basis over the term of the lease irrespective of when such payments are due.

### h. Cash and cash equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. Cash and cash equivalents includes cash in hand, short term deposits and investments and overdrafts repayable on demand. Short term deposits and investments are those with an original maturity of three months or less.

### i. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when the Group has a present obligation (legal or constructive) because of a past event; it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A contingent liability arises from a past event that gives the Group a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the Group a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

### j. Taxation

The company is subject to corporation tax on profits arising from activities.

Current tax, including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Where possible, all taxable profits of the company are paid under gift aid to Coventry University subject to the company having sufficient reserves. Where the payment of gift aid would result in the company reporting negative reserves, an apportionment is made between gift aid and an external tax liability.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered.

## Notes to the financial statements (Continued)

For the year ended 31 July 2018

### k. Financial assets – trade and other debtors

Debtors are initially measured at transaction price less attributable transaction costs. At the end of each reporting period debtors are assessed for impairment to their recoverable value. Age profile of debts and historical experience are management considerations. Changes in impairment provisions are included in the profit and loss accounts.

### l. Financial liabilities – trade and other creditors

Trade and other creditors are initially measured at transition price plus attributable transaction costs. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## 2. Accounting Estimates and Judgements

### a. Key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the Directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are described below:

#### (i) Pensions West Midlands Pension Fund

The Company operates within the West Midlands Metropolitan Authorities defined benefit pension scheme. The University sought advice from the pension scheme. The Company sought advice from the pension scheme actuary to select key actuarial assumptions in order to determine the pension deficit at the year end. Small movements in these assumptions can result in significant changes to the pension deficit calculation. Management believe that the key assumptions used in the most recent net pension deficit calculation, £780,000 at July 2018, are reasonable.

#### (ii) Trade debtors

Management has estimated the recoverability of outstanding accounts receivable balances at year end. A review of the aged debtors report is performed to determine whether debt is recoverable by aged group and at predetermined rates then judgement is used to assess which accounts are likely to not be recoverable.

#### (iii) Holiday pay

Management has estimated the value of holiday pay accrued but not yet taken at the year end and included an estimates of this cost in the accounts.

#### (iv) Leases

Management have determine whether leases entered into by the University and Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

### b. Critical accounting judgements in applying the Company's policies

There are no such judgements in either the current or prior year.



## Notes to the financial statements (Continued)

For the year ended 31 July 2018

### 3 Turnover

	2017/18	2016/17
	£000	£000
Management services	626	717
Rental income	431	284
Inter-company turnover	2,652	1,724
	<b>3,709</b>	<b>2,725</b>

All turnover arose in the United Kingdom.

All Inter-company turnover relates to accommodation services.

### 4 Staff costs and numbers

The total remuneration paid to staff, during the year excluding inter-company recharges and apprenticeships amounted to:

	2017/18	2016/17
	£000	£000
Salaries	1,469	1,325
Social security costs	117	100
Cost of defined contribution scheme	36	13
Pension costs	209	220
<b>Total</b>	<b>1,831</b>	<b>1,658</b>

	Average FTEs	Average FTEs
<b>Average staff numbers by major category:</b>		
Management & specialist	36	48
Technical	17	-
	<b>53</b>	<b>48</b>

As at 31 July 2018, one member of staff (2016/17: one) is employed by Coventry University Enterprises Limited, all other staff are employed by The FutureLets Limited.

## Notes to the financial statements (Continued)

For the year ended 31 July 2018

### 5 Directors' remuneration and transactions

	2017/18	2016/17
	£000	£000
<b>Directors' remuneration</b>		
Emoluments	-	32
Contributions to defined benefit pension scheme (note 14)	-	-
Contributions to defined contribution pension scheme	-	-
<b>Total</b>	-	32

	2017/18	2016/17
	Number	Number
<b>The number of directors who:</b>		
Are members of a defined benefit pension scheme	-	-
Are members of a defined contribution pension scheme	-	-
	-	-

The non-executive directors received no remuneration for services to the company.

### 6 Operating profit/loss

	2017/18	2016/17
	£000	£000
<b>This is stated after charging:</b>		
Operating lease payment in respect of land and buildings	518	424
Fee payable to the company's auditor for the audit of the company's annual financial statements	4	3
Defined benefit pension cost (note 14)	226	221

### 7 Interest payable

	2017/18	2016/17
	£000	£000
Net interest on defined benefit liability	16	15
	16	15

**Notes to the financial statements (Continued)**

For the year ended 31 July 2018

**8 Taxation**

	2017/18	2016/17
	£000	£000
<b>Recognised in the profit and loss account</b>		
<b>Current tax</b>		
UK Corporation tax on profit for the year	49	-
Group relief payable/(receivable)	-	(19)
Adjustment in respect of previous years	18	(9)
<b>Total current tax</b>	<b>67</b>	<b>(28)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(11)	(10)
<b>Total tax expense/(credit)</b>	<b>56</b>	<b>(38)</b>
<b>Factors affecting the tax charge for the current year</b>		
Profit/(loss) on ordinary activities before tax	148	(101)
UK corporation tax at the effective rate of corporation tax in the UK of 19% (2016/17: 19.67%)	28	(20)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	25	1
Losses brought forward	(4)	-
Change in unrecognised deferred tax assets	(11)	(10)
Adjustments in respect of prior periods	18	(9)
<b>Total tax charge</b>	<b>56</b>	<b>(38)</b>

The UK Government announced a reduction in the standard rate of corporation tax from 20% to 19% effective 1 April 2017. This rate reduction became substantively enacted in March 2017.

The UK government also announced a further reduction to the standard rate of corporation tax by 2% from 1 April 2020. As these rates were not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements in accordance with FRS 102, as it is a non-adjusting event occurring after the reporting year.

## Notes to the financial statements (Continued)

For the year ended 31 July 2018

### 9 Debtors

	2018	2017
	£000	£000
<b>Amounts falling due within one year:</b>		
Amounts due from other group companies	1	153
Other debtors	13	15
Prepayments and accrued income	138	192
Deferred tax asset (see below)	151	138
<b>Total</b>	<b>303</b>	<b>498</b>

The Debtor's accounts include a bad debt provision of £nil (2016/17: £nil). Bad debt costs charged to the profit and loss account is £nil (2016/17: £nil).

#### Deferred tax asset:

	2018	2017
	£000	£000
At beginning of the year	138	174
(Charged)/credited to profit/(loss)	11	10
(Charged)/credited to statement of comprehensive income	2	(46)
<b>At end of the year</b>	<b>151</b>	<b>138</b>
<b>The deferred tax asset is made up up as follows:</b>		
Accelerated capital allowances	2	10
Pension provision	149	128
	<b>151</b>	<b>138</b>

### 10 Creditors: amounts falling due with one year

	2018	2017
	£000	£000
Trade creditors	15	3
Amounts due to other group companies	360	119
Corporation tax	49	-
Social security and other taxation payable	75	66
Other creditors	19	-
Accruals and deferred income	672	546
	<b>1,190</b>	<b>734</b>

## Notes to the financial statements (Continued)

For the year ended 31 July 2018

### 11 Provision for liabilities

	Defined benefit scheme deficit	Other	Total Other
	£000	£000	£000
<b>At 1 August 2017</b>	672	24	696
Utilised in year	-	-	-
Provided in year	108	-	108
Released in year	-	(24)	(24)
<b>At 31 July 2018</b>	780	-	780

The provision relates to the deficit on defined benefit pension scheme based on an actuarial valuation at 31 July 2018. See Note 14 - Defined benefit pension scheme.

### 12 Financial commitments

At 31 July 2018, the total future minimum lease payments under non-cancellable operating leases are as follows:

	2018		2017 Restated
	Land and Buildings	Total	Total
	£000	£000	£000
Within one year	529	529	529
Between one and five years	1,810	1,810	1,923
After five years	2,693	2,693	3,208
	5,032	5,032	5,660

The comparative figures have been restated to correct a prior year calculation error.

### 13 Share Capital

	2018	2017
	£000	£000
Ordinary shares of £1 each	-	-
	Number	Number
Ordinary shares of £1 each	1	1

The company has issued one ordinary share with a nominal value of £1 for which the company has received £1. Share capital represents the nominal value of allotted and fully paid up ordinary share capital. Shares rank equally for voting purposes and for any dividends declared. Each share ranks equally for any distribution made on a winding up. The shares are not redeemable.

## Notes to the financial statements (Continued)

For the year ended 31 July 2018

### 14 Defined benefit pension scheme

#### West Midlands Pension Fund (WMPF)

The West Midlands Metropolitan Authorities Pension Scheme is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average earnings.

The following components of the pensions charge have been recognised in the profit and loss account for the years ended 31 July 2018 and 2017.

	2018	2017
	£000	£000
Service cost (recognised in operating profit/(loss), note 6)	225	220
Net interest on the defined liability (recognised in interest payable note 7)	16	15
Administration expenses (recognised in operating profit/(loss), note 6)	1	1
<b>Total cost</b>	<b>242</b>	<b>236</b>

Reconciliation of opening & closing balances of the present value of the defined benefit obligation:

	2018	2017
	£000	£000
<b>Opening defined benefit obligation</b>	<b>4,071</b>	<b>3,415</b>
Current service cost	225	220
Interest cost	110	89
Change in financial assumptions	89	(6)
Change in demographic assumptions	-	(37)
Experience loss/(gain) on defined benefit obligations	-	348
Estimated benefits paid net of transfers in	(7)	(5)
Contributions by Scheme participants and other employers	45	47
<b>Closing defined benefit obligation</b>	<b>4,533</b>	<b>4,071</b>

Reconciliation of opening & closing balances of the fair value of Fund assets:

	2018	2017
	£000	£000
<b>Opening fair value of Fund assets</b>	<b>3,399</b>	<b>2,755</b>
Interest on assets	94	74
Return on assets less interest	78	433
Other actuarial gains/(losses)	-	(32)
Administration expenses	(1)	(1)
Contributions by employer including unfunded	145	128
Contributions by Scheme participants and other employers	45	47
Estimated benefits paid plus unfunded net of transfer in	(7)	(5)
<b>Closing fair value</b>	<b>3,753</b>	<b>3,399</b>

## Notes to the financial statements (Continued)

For the year ended 31 July 2018

### 14 Defined benefit pension scheme

The estimated asset allocation for The FutureLets Limited as at 31 July 2018 is as follows:

	2018		2017	
	£000	%	£000	%
Assets in the scheme were:				
Equities	2,374	63%	2,151	63%
Government bonds	270	7%	249	8%
Other Bonds	139	4%	131	4%
Property	305	8%	248	7%
Cash	141	4%	169	5%
Other	524	14%	451	13%
<b>Total fair value of fund assets</b>	<b>3,753</b>	<b>100%</b>	<b>3,399</b>	<b>100%</b>

The return on the Fund (on a bid value to bid value basis) for the period to 31 July is estimated to be £172,000.

Contributions are set every three years as a result of an actuarial valuation of the Fund required by the Regulations. The next actuarial review of the Fund will be carried out as at 31 March 2019 by a qualified independent actuary. A roll-forward valuation to 31 July 2018 has been made by the actuary using the following major assumptions, and these form the basis for the full implementation in these accounts of the requirements of FRS102. The last full actuarial valuation was at 31 March 2016.

In line with the revised benefits structure of the pension scheme, allowance has been made for 50% of members to commute part of their pension. The resulting reduction in past service liabilities has been allowed for as a past service gain.

For FRS102 purposes, life expectancy assumptions are the same as those used last year, except that a 1% minimum has been applied for future annual improvements in mortality rates from 2010 onwards. This year has seen a rise in the deficit due to a reduction in discount rates increasing liabilities.

Increases to pensions in payment and deferred pensions are based on CPI inflation, in line with the Government's adoption of CPI as the preferred measure of inflation for determining pension increases for public sector schemes. We have assumed that on average CPI inflation will be 1% p.a. lower than RPI inflation.

## Notes to the financial statements (Continued)

For the year ended 31 July 2018

### 14 Defined benefit pension scheme (Continued)

		2018	2017
	Rate of increase in salaries	3.85%	3.80%
	Rate of increase of pensions in payment	2.35%	2.30%
	Discount rate	2.65%	2.70%
	Inflation assumption (CPI)	2.35%	2.30%

The current mortality assumptions include sufficient allowance for future changes in mortality rates. The assumed life expectancies on retirement age at 65 are:

		2018	2017
	Retiring today	Years	Years
	Males	21.90	21.80
	Females	24.40	24.30
	Retiring in 20 years		
	Males	24.10	23.90
	Females	26.70	26.60

### 15 Defined contribution pension scheme

The company participates in the AVIVA Pension Scheme. This is a defined contribution multi-employer scheme, the assets and liabilities of which are held independently from the Company. The contributions to this scheme are included as expenditure in the year in which they are payable. The total cost charged to the profit and loss account for the company in respect of its participation in the AVIVA scheme, representing regular contributions paid was £36,000 (2016/17: £13,000). As at 31 July 2018, there was £5,000 (2016/17: £3,000) due in respect of the year which had not been paid over to the scheme.

### 16 Related parties

Frank Mills, director has received fees for consultancy services provided totalling £Nil (2016/17: £14,700). The figure included in creditors at 31 July 2018 in this respect is £875 (2016/17: £1,750).

During the current and prior years, the company was a 100% subsidiary of Coventry University Enterprises Ltd and as such has adopted the FRS 102 section 33 exemption for wholly owned subsidiaries in relation to transactions with other wholly owned companies.

### 17 Ultimate parent undertaking

The shares of the company are held by Coventry University Enterprises Ltd, which is the immediate parent undertaking. The ultimate parent undertaking and controlling party is Coventry University, a Higher Education Corporation established under the Education Reform Act 1988. The results of the Company have been reported in the financial statements of Coventry University, copies of which can be obtained from Coventry University, Priory Street, Coventry CV1 5FB. The largest and smallest Company in which its financial statements are consolidated is Coventry University.