

**FutureLearn Limited**

**Abbreviated Accounts**  
**for the year ended 31 July 2016**



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### **Our opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

### **What we have examined**

We have examined the abbreviated accounts set out on pages 3 to 7, together with the financial statements of FutureLearn Limited for the year ended 31 July 2016 prepared under section 396 of the Companies Act 2006.

### **Our responsibilities and those of the Directors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4, 'The special auditor's report on abbreviated accounts in the United Kingdom', issued by the Auditing Practices Board. In accordance with that Bulletin, we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, 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.



**GILLIAN HINKS** (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Milton Keynes  
12 October 2016

**FutureLearn Limited**  
**Abbreviated Accounts 2016**

**Balance Sheet as at 31 July 2016**

	Notes	As At 31 July 2016 £'000	As At 31 July 2015 £'000
<b>Current Assets</b>			
Debtors		679	301
Cash at bank and in hand		2,318	1,133
<b>Total Current Assets</b>		<b>2,997</b>	1,434
Creditors : Amounts falling due within one year		(1,725)	(845)
<b>Net Assets</b>		<b>1,272</b>	589

**Capital and Reserves**

Called up share capital	16	19,500	11,650
Profit and loss account		(18,228)	(11,061)
<b>Total Equity</b>		<b>1,272</b>	589

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

These abbreviated accounts were approved by the Board of Directors for issue on 12 October 2016 and signed on its behalf by:



**S J NELSON**  
 Director



**M S HEDGES**  
 Director

FutureLearn Limited  
 Registered number : 08324083

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## **1 Basis of Preparation**

These financial statements have been prepared on the going concern basis under the historical cost convention in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom, including Financial Reporting Standard 102 (FRS102). The principal accounting policies, which have been applied consistently throughout the year, are set out below.

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## **2 Turnover**

Turnover represents the value of goods and services supplied to customers excluding VAT, and the value of Research and Development Expenditure Credits.

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## **3 Recognition of Income**

- a. Income from the sale of goods or services is credited to the profit and loss account when the goods or services are supplied to the external customers against the orders received or the terms of the contract have been satisfied.
- b. Any management judgements, estimates and assumptions that affect the application of policies and reported amounts of income are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

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## **4 Recognition of Expenditure**

- a. Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms.
- b. Provision is made when a present obligation exists for a future liability in respect of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and where the amount of the obligation can be reliably estimated.
- c. Amounts due to partners arising from their course distribution agreements are charged to the expenditure account in the period in which the related income from a partner course is receivable.

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## **5 Foreign Currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial period.

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## **6 Taxation**

Current tax is recognised in the profit and loss account for the year except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the profit and loss account.

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation, or a right to pay less taxation, in future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

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## **7 Lease Costs**

Rental costs under operating leases are charged to expenditure in equal amounts over the period of the lease.

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## **8 Pension Costs**

The company operates a defined contribution scheme for the benefit of its employees. The cost charged to expenditure is equal to the total of contributions payable in the year.

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## **9 Employee Benefits**

Short-term employee benefits are recognised as an expense in the period in which they are incurred. Bonus payments and any unused annual leave for the financial year ended 31 July are accrued

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## **10 Website Development Costs**

Website development costs relating to application and infrastructure development costs and design costs are not capitalised as the technical feasibility of each element cannot be proven until the work is substantially complete and because there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design is next updated. Consequently, the costs of developing the design has been written off to the profit and loss account as incurred. Content costs are incurred by the partner universities and other organisations rather than the Company.

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## **11 Research and Development**

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred. Where the company has incurred qualifying expenditure, the related Research and Development Expenditure Credit, is included within turnover on a receivable basis.

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## **12 Functional Currency**

The financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency). Therefore the results and financial position for the Company are presented in Sterling (£).

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## **13 FRS102 Exemptions taken**

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The Company is a wholly owned subsidiary of The Open University and as such has taken advantage of the following exemptions under FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;

- The requirement to present a statement of cash flows and related notes [FRS102 section 1.12 b ]
- The requirement to disclose related party transactions and balances with its parent undertaking [FRS102 section 33.1A]
- The requirement to disclose key management personnel compensation [FRS102 section 1.12 e]

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## **14 Significant Judgements & Accounting Estimates**

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FutureLearn Limited prepares its financial statements in accordance with FRS 102 as issued by the UK Financial Reporting Council, the application of which often requires judgements to be made by management when formulating the financial position and results.

### **Bad and Doubtful Debts**

At the year end, the Debtor balances are reviewed and management makes a judgement on each debt as to whether it is believed to be a bad or doubtful debt, and subsequently if it should be provided for or written off.

### **Income Tax**

Each year the company conducts a review of its spend on research and development expenditure to assess whether it may have grounds for a claim for a government credit (and consequent tax component) under the R&D tax credit scheme. Such a claim requires a comprehensive written report supporting the claim which includes an analysis of the amount of spent on qualifying expenditure. This report is written after the year end and professional advice will then be sought on what costs will qualify for this financial year. As a result management has conducted a desktop review and applied similar principles to those applied in previous claims to produce an estimate for the financial statements.

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## **15 Financial Instruments**

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Sections 11 and 12 of FRS 102 have been adopted by the Company with the exception of exemptions highlighted in policy note 12.

- a. Basic financial assets, including trade and other receivables, cash and bank balances, are recognised at transaction price.
- b. Basic financial liabilities, including trade and other payables are recognised at transaction price.
- c. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised at transaction price.
- d. Current asset investments comprising of funds held on deposit are recognised at the lower of cost or net realisable value.
- e. Interest is accrued on a daily basis.

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**16 Called up Share Capital**

	As at 31 July 2016 £'000	As At 31 July 2015 £'000
Authorised share capital of 19,500,000 (2015: 11,650,000) ordinary shares of £1 each	<b>19,500</b>	11,650
19,500,000 (2015: 11,650,000) ordinary shares of £1 called up, issued and paid	<b>19,500</b>	11,650

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During the year ended 31 July 2016 £7,850,000 (year ended 31 July 2015: £4,650,000) ordinary £1 shares were issued. Shares issued 15 December 2015 (£2,825,000), 29 February 2016 (£2,000,000), 22 March 2016 (£1,000,000), 22 April 2016 (£650,000), 17 May 2016 (£650,000), 20 June 2016 (£650,000), 19 July 2016 (£75,000).

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.