
FutureLearn Limited

Financial Statements
for the year ended 31 July 2019



Company Registration number 08324083

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The Directors present their Strategic Report for the year ended 31 July 2019.

Principal Activities

The main business activity of the Company is to offer, through its online learning platform, a diverse range of high quality courses from universities and other partners. The Company is continuing to develop its services to deliver revenue growth.

Review of the Business and Future Outlook

FutureLearn Limited, working in partnership with leading UK and overseas universities, launched the UK's first platform for Massive Open Online Courses (MOOCs) in September 2013. Since its launch, at 31 July 2019 FutureLearn Limited had built a community of over 9.5 million learners (2018 - over 8 million) from all countries in the world; these learners have signed up to over 25 million courses between them.

For courses which started in the year ended 31 July 2019, the Company attracted 3.9 million (2018 – 4.1 million) course sign-ups. Courses and content are being produced by over 175 partners, comprising leading UK and international universities, including The Open University, and specialist education providers and global centres of research excellence.

FutureLearn Limited will continue to develop its revenues through the introduction of new short courses as well as new degree and micro-credential programs adding to the existing course line up, combined with ongoing development and innovation of the platform. The partner network makes a vital contribution to the Company's revenue growth through the development and production of high quality content and courses. FutureLearn Limited intends to grow the already significant community of learners and maintain high levels of engagement and participation.

FutureLearn Limited generated turnover of £7.9m for the year ended 31 July 2019 (year ended 31 July 2018: £8.2m) from the sale of upgrades on and subscriptions to its short courses, the provision of course production services, student recruitment services, partner services including hosting of online degrees, partner membership fees and Research and Development Expenditure Credits. Over the medium term the Company will look to grow its turnover through these services and the development of new services and will aim to achieve profitability in line with its business plans.

There are no other key performance indicators monitored other than those disclosed above.

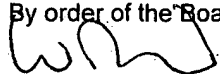
During the financial year on 28th April 2019 the Company issued 30,000,000 new shares at a price of £1.66667 per share to its new investor, SEEK International Investments Pty Limited, a 100% owned subsidiary of SEEK Limited, a Company listed on the Australian Stock Exchange (SEEK Group); following the deal The Open University and the SEEK Group each own 50% of the Company's equity shares. The Company's called up share capital and share premium (net of financing costs) at 31 July 2019 amounted to £78,043,000 (2018: £29,750,000) an increase of £48,293,000. The additional capital will be used to market, develop and grow the Company's product offering and its revenue streams.

Principal Risks and Uncertainties

The key business risks affecting the Company relate to the market demand for the product offer in a sector that is still in its early stage of development and rapidly innovating, the availability of content from partner universities for the global delivery of online courses, the security and performance of the Company's technical platform and the ability to generate revenue models that can sustain the business in the longer term.

The Company has secured relationships with over 175 universities and institutions to provide courses and content. Close collaboration with and support to the partners ensures the production of content to respond to market demand. Following the introduction of new investment from the SEEK Group, funding is secured to meet the plans of the Company through to planned break even, supporting on going activity as the business develops, maintaining the integrity of its technical platform and implementing additional revenue generating services.

By order of the Board on 30 October 2019.



W ENGLAND
Company Secretary

FutureLearn Limited
1-11 Hawley Crescent
Camden Town
London
NW1 8NP

The Directors present their report and the audited financial statements of the Company for the year ended 31 July 2019.

Company Information

FutureLearn Limited was incorporated as a Private Limited Company (limited by shares) incorporated in the United Kingdom on 10 December 2012. It is registered in England at Companies House under number 08324083 and its registered address is 1-11 Hawley Crescent, Camden Town, London, NW1 8NP.

Results and Dividends

In the year ended 31 July 2019 the loss before taxation of the Company was £6,584,000 (year ended 31 July 2018: £4,049,000). The loss represents the cost of business start-up, product development, communications and marketing, and partner engagement.

No dividends have been paid or are proposed (year ended 31 July 2018: £nil).

Going Concern

The Company was initially financed through the issue of equity shares to The Open University. The additional investment from the SEEK Group secured in the financial year ended 31 July 2019 means that the company has sufficient funding for the Company's requirements for at least 12 months from the date of signing the financial statements of the Company for the year ended 31 July 2019.

Statement of Directors' Responsibilities in respect of the Financial Statements

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;
- 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;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

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

Directors

The Directors of the Company who served during the year and up to the date of signing the financial statements are as follows:

Name	Appointed	Resigned
Mr J Cooke (Deputy Chair)		28 Apr 2019
Mr L J Holden		28 Apr 2019
Mrs S MacPherson		28 Apr 2019
Mr F Neale		28 Apr 2019
Mr S J Nelson		
Professor H Rymer		28 Apr 2019
Professor M C Kellett		28 Apr 2019
Dr J W Nicholls - Chair		
Mr J S Nester	28 Apr 2019	
Dr D G Kodwani	28 Apr 2019	
Mr C D Sheppard	28 Apr 2019	

Directors' Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

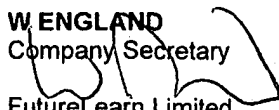
Independent Auditors

The Company is deemed to have reappointed its independent auditors in accordance with section 487(2) of the Companies Act 2006. In the absence of a notice proposing that the appointment be terminated, the independent auditors will be deemed to be reappointed for the next financial year.

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as independent auditors.

By order of the Board on 20th April 2019.

W ENGLAND
Company Secretary


FutureLearn Limited
1-11 Hawley Crescent
Camden Town
London
NW1 8NP

Report on the audit of the financial statements

Opinion

In our opinion, FutureLearn 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 loss and cash flows 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 Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 July 2019, the Statement of Comprehensive Income, Statement of Cash Flows, and Statement of Changes in Equity for the year then ended; the Statement of Principal accounting policies; and the Notes to the financial statements.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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.

Reporting on other information (continue)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

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 Statement of Directors' Responsibilities in respect of the Financial Statements on page 4, 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.

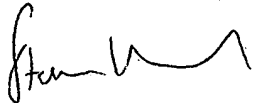
Other required reporting

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.



Steven Kentish (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes

30 October 2019

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.

2 Turnover

Turnover represents the value of online learning services supplied to customers including individual learners, educational institutions and other businesses, excluding VAT, and the value of Research and Development Expenditure Credits.

3 Recognition of Income

- a. Income from the sale of online learning services is credited to the statement of comprehensive income when the 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.

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.
- d. Interest is accrued on a daily basis.

5 Lease Costs

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

6 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.

7 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.

8 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 statement of comprehensive income.

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.

9 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.

10 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 (£'000).

11 Financial Instruments

Sections 11 and 12 of FRS 102 have been adopted by the Company.

- 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.

12 Intangible assets

Intangible assets are initially recorded at costs and are depreciated over their estimated useful economic lives. Useful economic lives are applied as follows:

- Investment in new short courses: 3 years from the start of the first run of each short course.

13 Cash and Cash equivalents

Cash and cash equivalents include cash held in the Company's bank accounts, accounts held with PayPal and accounts held with the Company's online card payment processor.

14 Share Capital

Share capital represents the value of ordinary shares subscribed to by the shareholders, The Open University and SEEK Group.

15 Distribution to Equity Shareholders

Company has no distributions to shareholders.

16 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.

17 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.

The Company provides share-based payment arrangements for certain employees. Equity-settled arrangements are measured at fair value at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense in any year is adjusted to reflect the actual number of shares that have vested.

18 Significant Judgements & Accounting Estimates

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 judgement

At the year end, the Debtor balances are reviewed, and management carries out a line by line review of the circumstances surrounding 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.

18 Significant Judgements & Accounting Estimates (continue)

Income Tax estimate

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.

FutureLearn Limited
Financial Statements 2019

Statement of Comprehensive Income

	Note	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Turnover	1	7,867	8,238
Cost of sales		(1,975)	(2,137)
Gross profit		5,892	6,101
Administrative expenses		(12,571)	(10,154)
Operating loss	2	(6,679)	(4,053)
Interest receivable and similar income	3	95	4
Loss before taxation		(6,584)	(4,049)
Tax on loss	4	(53)	2,929
Total loss for the financial year		(6,637)	(1,120)

There are no material differences between the loss before taxation and loss for the financial year stated above and their historical cost equivalents.

The principal accounting policies on pages 9 to 12 and the notes on pages 17 to 24 form part of these financial statements.

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Balance Sheet

	Note	As At 31 July 2019 £'000	As At 31 July 2018 £'000
Intangible Assets			
Investment in new short courses		79	0
Total Intangible Assets	5	79	0
Current Assets			
Debtors	6	1,925	5,102
Cash at bank and in hand		48,225	2,601
Total Current Assets		50,150	7,703
Less Creditors: amounts falling due within one year	7	(4,708)	(3,838)
Net Assets		45,521	3,865


Capital and Reserves

Called up share capital	8	60,000	29,750
Share Premium account		18,043	0
Profit and loss account		(32,522)	(25,885)
Total Equity		45,521	3,865

The financial statements on pages 9 to 24 were approved by the Board of Directors on 30th October 2019 and signed on its behalf by:



S J NELSON
 Director



J W NICHOLLS
 Director

FutureLearn Limited
 Registered number: 08324083

FutureLearn Limited
Financial Statements 2019

Statement of Cash Flows

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Cash flow from operating activities		
Total loss for the financial year	(6,637)	(1,120)
Adjustments for:		
Amortisation of intangible assets	6	0
Decrease /(increase) in debtors	3,177	(3,829)
Increase in creditors	870	364
Interest received	(95)	(4)
	3,958	(3,469)
Net cash used in operating activities	(2,679)	(4,589)
Cash flow from investing activities		
Investment in new short courses	(85)	(0)
Interest received	95	4
Net cash generated from investing activities	10	4
Cash flows from financing activities		
Proceeds from issue of ordinary share capital (net of cost of issue)	48,293	4,000
Net cash generated from financing activities	48,293	4,000
Net increase/(decrease) in cash and cash equivalents	45,624	(585)
Cash and cash equivalents at beginning of year	2,601	3,186
Cash and cash equivalents at end of year	48,225	2,601

FutureLearn Limited
Financial Statements 2019

Statement of Changes in Equity

	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 1 August 2017	25,750	0	(24,765)	985
Total comprehensive loss for the year	0	0	(1,120)	(1,120)
Issue of shares	4,000	0	0	4,000
At 31 July 2018	29,750	0	(25,885)	3,865
Total comprehensive loss for the year	0	0	(6,637)	(6,637)
Issue of shares	30,250	18,043	0	48,293
At 31 July 2019	60,000	18,043	(32,522)	45,521

1 Turnover

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Turnover relates to course related services. An analysis of delivery by major geographical area is as follows:		
European Union	7,197	6,508
Other	670	1,730
	7,867	8,238

2 Operating Loss

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018
Operating loss is stated after charging:		
Operating lease costs in respect of plant and machinery	34	29
Operating lease costs in respect of buildings	704	678
Foreign exchange losses on trade debtors and creditors	37	31
Amortisation – New short courses	6	0
Fees payable for the audit	25	17

3 Interest receivable and similar income

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Bank interest	95	4
	95	4

4 Tax on Loss

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
UK Corporation tax on losses for the financial year	37	34
Group relief surrendered to a fellow subsidiary	16	(2,963)
Total tax charge / (credit) for the year	53	(2,929)

Factors affecting the tax credit for the current and prior financial year

The tax assessed for the financial year is higher (year ended 31 July 2018: lower) than the standard rate of corporation tax in the UK for the year ended 31 July 2019. The tax rate was 19% for the year ended 31 July 2019 (year ended 31 July 2018: 19%). The differences are explained below:

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Loss before tax	(6,584)	(4,049)
Current tax rate at 19% (year ended 31 July 2018: 19%)	(1,251)	(770)
Effects of:		
Expenses not deductible for tax purposes	4	2
Research and development expenditure credits	0	22
Permanent Differences	3	(10)
Tax losses carried forward	1,281	227
Group relief at a rate in excess of the current rate of tax	0	(2,403)
Adjustment to group relief surrendered in the prior year	16	(3)
Total tax charge / (credit) for the year	53	(2,929)

Deferred tax

The Company has not recognised a potential deferred tax asset relating to unutilised trade losses as they may not be used to offset taxable profits for some time.

Change in corporation tax rate

The UK corporation tax rate was reduced from 20% to 19% from 1 April 2017. The rate will reduce to 17% from 1 April 2020. This lower rate was substantively enacted in Finance Act 2016 in September 2016.

5 Intangible Assets

	Investment in courses £'000	Total £'000
Cost and valuation		
At 1 August 2018	0	0
Investment in new short courses	85	85
At 31 July 2019	85	85
Accumulated Amortisation		
At 1 August 2018	0	0
Charges for the year	6	6
At 31 July 2019	6	6
Net book amount		
At 31 July 2019	79	79
At 31 July 2018	0	0

6 Debtors

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Trade debtors	1,015	1,474
Amounts owed by group undertakings	18	2,965
Other debtors	14	57
Prepayments and accrued income	878	606
	1,925	5,102

Trade debtors are stated after provisions for impairment of £nil (year ended 31 July 2018: £nil).
Group undertakings balances are unsecured and incur nil interest charges. Balances are payable on demand.

7 Creditors: Amounts falling due within one year

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Trade creditors	397	199
Amounts owed to group undertakings	862	1,062
Other creditors	409	30
Other taxation and social security	278	321
Accruals and deferred income	2,762	2,226
	4,708	3,838

Group undertakings balances are unsecured and incur nil interest charges. Balances are required to be repaid to the related parties each month.

8 Called up Share Capital

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Authorised share capital of 60,000,000 (2018: 29,750,000) ordinary shares of £1 each	60,000	29,750
60,000,000 (2018: 29,750,000) ordinary shares of £1 called up, issued and paid	60,000	29,750

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

The increase in shares during the year relates to:

- 250,000 new shares issued to The Open University in November 2018 issued at their nominal value being £1.00 per share taking their holding to 30,000,000 shares; and
- 30,000,000 new shares issued to SEEK International Investments Pty Limited on 28 April 2019 at £1.66667 per share, a total consideration of £50,000,100. The difference between the nominal value and the issue price of these shares has been treated as share premium from which direct costs attributable to the issue of shares of £1,957,000 have been deducted.

8 Called up Share Capital (continue)

Reconciliation of the number of shares outstanding at the beginning and end of the year

	Number of shares	Amount £'000
At 1 August 2017	25,750,000	25,750
Shares issued	4,000,000	4,000
At 31 July 2018	29,750,000	29,750
Shares issued	30,250,000	30,250
At 31 July 2019	60,000,000	60,000

9 Operating Lease Commitment

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Payable during the year	738	707
Future minimum lease payments due:		
Not later than one year	492	714
Later than one year and not later than five years	118	523
Total lease payments due	610	1,237

The Company has obligations for annual payment under non-cancellable operating leases described in the table above as 'future minimum lease payments due'.

10 Financial Instruments

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Financial assets that are debt instruments measured at amortised cost	49,271	7,097
Financial liabilities measured at amortised cost	(1,668)	(1,336)

11 Staff Costs

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Wages and salaries	7,569	6,835
Social security costs	928	762
Other pension costs (Note 12)	291	254
	8,788	7,851

The Company has introduced a share scheme for members of the Senior Leadership Team following the investment made by SEEK in April. Under this scheme a class of shares (known as B Shares) representing up to 10% of the Company's share capital may be allocated by the Board to members of the scheme. As at 31 July 2019 no allocations had been made.

The B shares will be purchased by the scheme members at market value and will vest over a period of four years. The terms attached to the shares mean they have a value only when the Company is worth more than £100 million. The opportunities to sell the shares are limited to specific liquidity events as defined by the Board. The B shares have no voting rights but they do have dividend rights.

Given that no B shares had been allocated at 31 July 2019 and the vesting period had only recently begun, no share-based payment expense has been recognised in the year. In future years a charge for share based payments will be made based on the fair value of the share options.

11 Staff Costs (continue)

	Number	Number
Monthly average number of employees		
Management and administration	129	122
Directors' emoluments		
	£'000	£'000
Aggregate emoluments	350	323

In the year ended 31 July 2019, emoluments were paid to 4 Directors (year ended 31 July 2018: 4 Directors).

In the year ended 31 July 2019 and the year ended 31 July 2018, there were no emoluments paid to the remaining Directors and no recharges are made by The Open University or SEEK Group to FutureLearn Limited in respect of their services to the Company.

Retirement benefits under a defined contribution scheme are accruing to 1 Director (year ended 31 July 2018: 1 Director).

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	£'000	£'000
Emoluments	284	244
Pension Contributions	14	14
	298	258

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the FutureLearn Limited. This comprised, at 31 July 2019, of 5 members of the Board of Directors (year ended 31 July 2018, 13 members). The total compensation for Directors serving in the year ended 31 July 2019 (including any severance payments and employers' pension contributions) was £350,065 (year end 31 July 2018, £323,320).

12 Pension costs

The Company's contributions in respect of the defined contribution scheme totalled £291,000 (year ended 31 July 2018: £254,000). This includes £27,000 (year ended 31 July 2018: £21,000) of outstanding contributions at the year end.

13 Related Party Transactions

Due to the nature of the FutureLearn Limited operations and the composition of the Board of Directors it is possible that transactions will take place with organisations in which a member of the Board of Directors may have an interest. All transactions in which a member of the Board may have an interest are conducted at arm's length.

	Income	Expenditure	2019 Total	Balance due
The Open University (customer)	£318,305	-	£318,305	£18,110
Open University Worldwide	£2,965,370	-	£2,965,370	-£18,698
The Open University (supplier)	-	£11,554,376	£11,554,376	£843,279

14 Parent Undertaking

The Company's ultimate 50% joint owners are:

- The Open University, a body incorporated by Royal Charter (number RC000391), an exempt charity in England and Wales whose address is at Walton Hall, Milton Keynes MK7 6AA;
- SEEK Limited, a company limited by shares, incorporated under the laws of the Commonwealth of Australia (ACN 080 075 314) which is listed on the Australian Stock Exchange (ASX:SEK) and whose address is 541 St Kilda Road, Melbourne, Victoria 3004, Australia.