

Registered number: 06393851

---

**WORKBOOKS ONLINE LIMITED**

---

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**



---

**WORKBOOKS ONLINE LIMITED**

---

**COMPANY INFORMATION**

---

**Directors**

J Cheney  
C J Howell  
P J Lawler  
J R T Kay

**Company secretary**

Pitsec Limited

**Registered number**

06393851

**Registered office**

Unit 9 Suttons Business Park  
Suttons Park Avenue  
Earley  
Reading  
England  
RG6 1AZ

**Independent auditors**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
1020 Eskdale Road  
Winnersh Triangle  
Wokingham  
Berkshire  
RG41 5TS

**Bankers**

HSBC Bank plc  
6 Market Place  
Henley on Thames  
Oxfordshire  
RG9 2AN

---

**WORKBOOKS ONLINE LIMITED**

---

**CONTENTS**

---

	Page
<b>Directors' Report</b>	1 - 3
<b>Independent Auditors' Report</b>	4 - 7
<b>Statement of Comprehensive Income</b>	8
<b>Statement of Financial Position</b>	9
<b>Statement of Changes in Equity</b>	10
<b>Notes to the Financial Statements</b>	11 - 23

---

---

**WORKBOOKS ONLINE LIMITED**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2020**

---

The directors present their report and the financial statements for the year ended 31 March 2020.

**Principal activities and business review**

The directors are pleased to report a record year with revenues growing by 13% to £3.7m and billings growing to £4m for the year.

The growth was underpinned by a continued investment in sales and marketing and the development and expansion of our professional service offerings.

The core activity of the business remains the provision of CRM, Marketing Automation and Business Applications to mid-sized organisations. Over 500 organisations use the Workbooks platform, helping them to increase revenues, automate processes and reduce operational costs.

The renewal rates of our customers continue to be very strong, as does the continued positive feedback we receive on customer satisfaction. Workbooks continues to have one of the highest NPS (Net Promoter Score) of any CRM vendor globally on the g2crowd independent customer review site ([www.g2crowd.com/compare/crm](http://www.g2crowd.com/compare/crm)), outperforming better known brands such as Salesforce.com, Microsoft Dynamics, SAP and Oracle.

The global Covid-19 pandemic has had an impact on the business since the end of the financial year, with new sales slowing, lower levels of professional services and renewal rates reducing. The Directors have already taken steps to reduce the costs within the business and have produced business plans and cashflows covering the period to March 2021 and beyond.

We continue to invest in growth and therefore will remain loss making, the Directors are confident that the business has the resources available to continue trading for the foreseeable future and for a period of not less than 12 months from the date of this report.

**Directors**

The directors who served during the year were:

J Cheney  
C J Howell  
P J Lawler  
J R T Kay

---

**WORKBOOKS ONLINE LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**Going concern**

The company has prepared forecasts, covering a period of at least twelve months from the date of signing these financial statements, which have been reviewed and approved by the Board of directors, who have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future.

In assessing going concern, the directors have considered the principal risks and uncertainties created by the ongoing impacts of COVID-19. This includes reviews of the company's financial performance since the outbreak of COVID 19, an assessment of the impact to our renewal rates and customer base, and reassessing and reviewing of the companies financial plans for the years ending March 2021 and 2022.

The directors consider that at the date of this report the company remains on track to achieve it's current financial plans and having performed various downside scenarios believe there are suitable plans that could be adopted were the risk profile to worsen.

The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the 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 FRS 102 'The Financial Reporting Standard applicable in the UK and 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 and profit or loss of the Company for that period.

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

**Post balance sheet events**

In the prior year the Board reported that Workbooks had acquired a 10% stake in Workbooks Inc in the United States. This statement was incorrect, as the necessary share issuance and filing with relevant US authorities wasn't completed correctly. Workbooks Online Limited has subsequently acquired the 10% stake in Workbooks Inc in April 2020. There is now a post balance sheet event to be reported in this set of financial statements.

---

**WORKBOOKS ONLINE LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**Disclosure of information to auditors**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditors**

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 23 September 2020 and signed on its behalf.

*John Cheney*

**J Cheney**  
Director



---

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORKBOOKS ONLINE LIMITED

---

### Opinion

We have audited the financial statements of Workbooks Online Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 March 2020 and of its loss 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

### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORKBOOKS ONLINE LIMITED  
(CONTINUED)**

---

**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.

In our evaluation of the directors' conclusions, we considered the risks associated with the Company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditors' Report is not a guarantee that the Company will continue in operation.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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 AUDITORS' REPORT TO THE MEMBERS OF WORKBOOKS ONLINE LIMITED  
(CONTINUED)**

---

**Matter on which we are required to report under the Companies Act 2006**

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 Directors' Report.

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

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 for the financial statements**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORKBOOKS ONLINE LIMITED  
(CONTINUED)**

---

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 Auditors' 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.

*Grant Thornton UK LLP*

Amrish Shah BSc FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP,  
Statutory Auditor, Chartered Accountants  
Reading

23 September 2020

---

**WORKBOOKS ONLINE LIMITED**

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**

---

	2020 £	2019 £
Turnover	3,761,507	3,332,517
Cost of sales	(458,805)	(289,658)
<b>Gross profit</b>	<b>3,302,702</b>	<b>3,042,859</b>
Administrative expenses	(5,243,816)	(4,527,100)
<b>Operating loss</b>	<b>(1,941,114)</b>	<b>(1,484,241)</b>
Interest receivable and similar income	1,659	1,244
Interest payable and expenses	(58,218)	(34,032)
<b>Loss before tax</b>	<b>(1,997,673)</b>	<b>(1,517,029)</b>
Tax on loss	256,514	221,294
<b>Loss for the financial year</b>	<b>(1,741,159)</b>	<b>(1,295,735)</b>
<b>Other comprehensive income for the year</b>		
<b>Total comprehensive income for the year</b>	<b>(1,741,159)</b>	<b>(1,295,735)</b>

The notes on pages 11 to 23 form part of these financial statements.

**WORKBOOKS ONLINE LIMITED**  
**REGISTERED NUMBER:06393851**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	7	99,471	98,080
		<u>99,471</u>	<u>98,080</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	857,366	870,016
Cash at bank and in hand	9	2,096,693	1,304,811
		<u>2,954,059</u>	<u>2,174,827</u>
Creditors: amounts falling due within one year	10	(869,386)	(462,521)
<b>Net current assets</b>		<u>2,084,673</u>	<u>1,712,306</u>
<b>Total assets less current liabilities</b>		<u>2,184,144</u>	<u>1,810,386</u>
Creditors: amounts falling due after more than one year	11	(1,677,420)	(300,000)
Accruals and deferred income	12	(2,157,201)	(2,021,115)
<b>Net liabilities</b>		<u>(1,650,477)</u>	<u>(510,729)</u>
<b>Capital and reserves</b>			
Called up share capital	15	374,301	354,829
Share premium account	16	8,420,820	7,856,123
Profit and loss account	16	(10,445,598)	(8,721,681)
		<u>(1,650,477)</u>	<u>(510,729)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2020.

*John Cheney*

**J Cheney**  
Director

The notes on pages 11 to 23 form part of these financial statements.

---

**WORKBOOKS ONLINE LIMITED**


---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**


---

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	354,829	7,856,123	(8,721,681)	(510,729)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,741,159)	(1,741,159)
<b>Total comprehensive income for the year</b>	-	-	(1,741,159)	(1,741,159)
Shares issued during the year	19,472	564,697	-	584,169
Share Options charge	-	-	17,242	17,242
<b>Total transactions with owners</b>	19,472	564,697	17,242	601,411
<b>At 31 March 2020</b>	<b>374,301</b>	<b>8,420,820</b>	<b>(10,445,598)</b>	<b>(1,650,477)</b>

The notes on pages 11 to 23 form part of these financial statements.

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


---

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	307,692	6,576,030	(7,425,946)	(542,224)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,295,735)	(1,295,735)
<b>Total comprehensive income for the year</b>	-	-	(1,295,735)	(1,295,735)
Shares issued during the year	47,137	1,280,093	-	1,327,230
<b>Total transactions with owners</b>	47,137	1,280,093	-	1,327,230
<b>At 31 March 2019</b>	<b>354,829</b>	<b>7,856,123</b>	<b>(8,721,681)</b>	<b>(510,729)</b>

The notes on pages 11 to 23 form part of these financial statements.

---

**WORKBOOKS ONLINE LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**1. General information**

Workbooks Online Limited is a private company limited by shares and incorporated in England and Wales. Registered number 06393851. Its registered head office is located at Unit 9, Suttons Business Park, Suttons Park Avenue, Earley, Reading, England, RG6 1AZ.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland for smaller entities (FRS 102 1A) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The company has prepared forecasts, covering a period of at least twelve months from the date of signing these financial statements, which have been reviewed and approved by the Board of directors, who have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future.

In assessing going concern, the directors have considered the principal risks and uncertainties created by the ongoing impacts of COVID-19. This includes reviews of the company's financial performance since the outbreak of COVID 19, an assessment of the impact to our renewal rates and customer base, and reassessing and reviewing of the companies financial plans for the years ending March 2021 and 2022.

The directors consider that at the date of this report the company remains on track to achieve it's current financial plans and having performed various downside scenarios believe there are suitable plans that could be adopted were the risk profile to worsen.

The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover comprises revenue recognised by the Company in respect of delivery of the service provided during the year, exclusive of discounts, rebates, value added tax or other sales taxes. Revenue from subscription contracts is recognised over the life of the contract on a daily basis. Revenue from professional services is either invoiced and recognised after the work has taken place, or a portion invoiced in advance and the related revenue deferred until the point the work is undertaken.

---

**WORKBOOKS ONLINE LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**2. Accounting policies (continued)****2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis:

Depreciation is provided on the following basis:

Leasehold Improvements	- 4 years straight line
Fixtures & fittings	- 3 - 5 years straight line
Office equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.7 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

---

**WORKBOOKS ONLINE LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**2. Accounting policies (continued)****2.7 Financial instruments (continued)**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.8 Creditors**

Short term creditors are measured at transaction price. Other financial liabilities, including shareholder loans, are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method.

**2.9 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

---

**WORKBOOKS ONLINE LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**2. Accounting policies (continued)**

**2.10 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Operating leases**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.12 Pensions**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The assets of the plan are held separately from the Company in independently administered funds. Contributions are charged to the Profit and Loss account for the year in which they payable to the scheme.

Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

**2.13 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.14 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.15 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

---

**WORKBOOKS ONLINE LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**2. Accounting policies (continued)****2.16 Current and deferred taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.17 Research and development**

Research and development expenditure is written off in the year which it is incurred. Tax credits on enhanced research and development expenditure are accounted for on a cash receipts basis.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain circumstances from the assumptions and estimates made. Changes will be recorded with corresponding effect in profit and loss, when, and if, better information is obtained.

Management do not currently believe that they currently make any critical judgements in the process of applying accounting policies disclosed herein and that would have a significant effect on the amounts recognised in the financial statements, nor in the following 12 months.

**4. Auditors' remuneration**

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £17,000 (2019: £11,000).

---

**WORKBOOKS ONLINE LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**5. Employees**

The average monthly number of employees, including directors, during the year was 54 (2019 - 47).

**6. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	305,523	241,163
Directors pension costs	3,420	1,550
	<u>308,943</u>	<u>242,713</u>

**7. Tangible fixed assets**

	Leasehold improvements £	Fixtures & fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	-	23,331	391,325	414,656
Additions	17,950	12,486	27,602	58,038
Disposals	-	-	(737)	(737)
At 31 March 2020	<u>17,950</u>	<u>35,817</u>	<u>418,190</u>	<u>471,957</u>
<b>Depreciation</b>				
At 1 April 2019	-	18,400	298,176	316,576
Charge for the year on owned assets	3,134	3,961	48,815	55,910
At 31 March 2020	<u>3,134</u>	<u>22,361</u>	<u>346,991</u>	<u>372,486</u>
<b>Net book value</b>				
At 31 March 2020	<u>14,816</u>	<u>13,456</u>	<u>71,199</u>	<u>99,471</u>
At 31 March 2019	<u>-</u>	<u>4,931</u>	<u>93,149</u>	<u>98,080</u>

---

**WORKBOOKS ONLINE LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**8. Debtors**

	2020 £	2019 £
Trade debtors	614,042	670,902
Other debtors	243,324	199,114
	<u>857,366</u>	<u>870,016</u>

**9. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	2,096,693	1,304,811
Bank overdrafts	(13,696)	-
	<u>2,082,997</u>	<u>1,304,811</u>

**10. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Bank overdrafts	13,696	-
Bank loans	266,667	-
Trade creditors	238,568	120,829
Other taxation and social security	278,455	281,704
Other creditors	-	59,988
Investor loans	72,000	-
	<u>869,386</u>	<u>462,521</u>

**11. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Investor loans	444,087	300,000
Bank loans	1,233,333	-
	<u>1,677,420</u>	<u>300,000</u>

---

**WORKBOOKS ONLINE LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**12. Accruals and deferred income**

	2020 £	2019 £
Accruals and deferred income	<b>2,157,201</b>	<b>2,021,115</b>

Deferred income of £1,863,427 (2019: £1,731,056) is included within accruals and deferred income. This balance comprises amounts invoiced in advance, with turnover deferred until the work is undertaken. There is no cash outflow associated with this balance.

**13. Loans**

Analysis of the maturity of loans is given below:

	2020 £	2019 £
<b>Amounts falling due within one year</b>		
Bank loans	<b>266,667</b>	-
Investor loans	<b>72,000</b>	-
<b>Amounts falling due 2-5 years</b>		
Investor loans	<b>444,087</b>	300,000
Bank loans	<b>1,233,333</b>	-
	<b>2,016,087</b>	<b>300,000</b>

**Existing investor loans**

Investor loans represents £300,000 of 12% fixed rate secured £1 loan notes issued by the company in 2015. A fixed and floating charge over the Company's assets was granted to loan note holders. The loans were due for repayment in December 2020 but as part of agreeing the new bank loan, payment of these loan notes has been deferred until the bank loan is fully repaid.

**New investor loans**

During the year an investor provided an interest free loan of £240,000. This is to be repaid in 40 monthly installments of £6,000 commencing February 2020. In lieu of interest share options were granted and the fair value of these is considered to be the interest on the loan and has been accounted for as such.

**Bank loan**

During the year a bank loan was entered into for £1.5m. This was to be repaid in 14 quarterly installments of £80,000, commencing 6 months after the draw down of the loan, with the balance payable at the end of the loan. It was subsequently agreed the first quarterly payment would also be deferred to the end of the loan. It is now repayable in 13 quarterly installments of £80,000, commencing 9 months after the drawdown of the loan, with the increased balance payable at the end of the loan. A fixed and floating charge over the Company's assets was granted to the bank. Interest is charged at Libor +8%.

---

**WORKBOOKS ONLINE LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**


---

**14. Financial instruments**

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<u>2,954,059</u>	<u>2,174,827</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(2,546,806)</u>	<u>(762,521)</u>

Financial assets measured at fair value through profit or loss comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise investor loans, trade creditors, other taxation and social security, overdrafts, bank loans and other creditors.

**15. Share capital**

	2020 £	2019 £
<b>Authorised</b>		
5,000,000 (2019 - 5,000,000) Ordinary shares of £0.10 each	<u>500,000</u>	<u>500,000</u>
<b>Allotted, called up and fully paid</b>		
3,743,011 (2019 - 3,548,288) Ordinary shares of £0.10 each	<u>374,301</u>	<u>354,829</u>

During the year 194,720 ordinary shares of £0.10 each were issued with a nominal value of £19,472. Consideration of £584,169 was received, creating share premium of £564,697.

**16. Reserves****Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Profit & loss account**

Includes all current and prior period retained profits and losses.

**17. Contingent liabilities**

There were no contingent liabilities at at 31 March 2020 or 31 March 2019.

---

**WORKBOOKS ONLINE LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**18. Capital commitments**

There were no capital commitments at at 31 March 2020 or 31 March 2019.

**19. Pension costs**

	<b>2020</b>	<b>2019</b>
	£	£
Defined contribution pension cost	<b>79,951</b>	<b>62,482</b>
	<u>79,951</u>	<u>62,482</u>

**20. Commitments under operating leases**

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2020</b>	<b>2019</b>
	£	£
<b>Other Non cancellable operating leases</b>		
Not later than 1 year	<b>11,280</b>	<b>4,383</b>
Later than 1 year and not later than 5 years	<b>15,752</b>	<b>-</b>
	<u>27,032</u>	<u>4,383</u>
	<u>27,032</u>	<u>4,383</u>
	<b>2020</b>	<b>2019</b>
	£	£
<b>Land and buildings</b>		
Not later than 1 year	<b>102,450</b>	<b>63,484</b>
Later than 1 year and not later than 5 years	<b>409,016</b>	<b>380,922</b>
	<u>511,466</u>	<u>444,406</u>
	<u>511,466</u>	<u>444,406</u>

---

**WORKBOOKS ONLINE LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**21. Share options**

The company has taken the exemption available under FRS 102 1A and has not included a charge in relation to options granted pre transition date. Details of options granted pre transition, which have not lapsed, are as follows:

5,250 (2019: 5,250) EMI options granted on 14 April 2010 to 4 (2019: 4) employees, with an exercise price of £0.68 (2019: £0.68) per share.

189,342 (2019: 189,342) EMI options granted on 18 February 2013 to 11 (2019: 11) employees, with an exercise price of £0.14 (2019: £0.14) per share.

All options are exercisable 7 years from the grant date. If the options remain unexercised after a period of 10 years from the grant date, the options expire.

There are no performance conditions attached to these share options.

Details for options granted post transition are as follows. All options are exercisable 7 years from the grant date. If the options remain unexercised after a period of 10 years from the grant date, the options expire. Options are valued using a Black-Scholes option pricing model.

The fair value per option granted and the assumptions used are noted in the tables below:

	<i>23 June</i>	<i>23 June</i>	<i>23 Feb</i>	<i>23 Feb</i>	<i>15 Jan</i>
	<i>2015</i>	<i>2015</i>	<i>2017</i>	<i>2017</i>	<i>2018</i>
Grant date					
Share price at grant £	0.14	0.18	0.14	0.18	0.18
Exercise price £	0.14	0.18	0.14	0.18	0.18
Expected volatility %	35	35	32	32	23
Risk free rate %	0.5	0.5	0.5	0.5	0.5
Fair value per option £	0.056	0.069	0.052	0.067	0.050
Number granted	126,500	10,000	86,000	10,000	57,213
Number lapsed	40,000	-	38,500	-	-
Number outstanding	86,500	10,000	47,500	10,000	57,213

---

**WORKBOOKS ONLINE LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**


---

**Share options (continued)**

	4 June 2018	4 June 2018	27 January 2020	27 January 2020
Grant date				
Share price at grant £	0.44	0.55	0.6	0.75
Exercise price £	0.44	0.55	0.6	0.75
Expected volatility %	26	26	30	30
Risk free rate %	0.5	0.5	0.35	0.35
Fair value per option £	0.137	0.171	0.209	0.209
Number granted	151,350	15,328	201,400	20,000
Number lapsed	72,350	-	750	-
Number outstanding	79,000	15,328	200,650	20,000

194,592 of the above options (2019: 5,250) were exercisable at 31 March 2020.

The total charge for the year related to employee based share based payment plans was £4,702 (2019: £3,205) all of which related to equity-settled share based payment transactions.

**22. Related party transactions**

Directors (or their related parties) made new loans of £240,000 to the company during the year (2019: £100,000). At the year end the amount owed to directors (and their partners) was £398,000 (2019: £170,000).

The existing loans bear interest at 12% per annum, with interest accrued to the Directors at the year end amounting to £9,000 (2019: £9,000). Gross Interest paid to Directors in the year amounted to £36,000 (2019: £34,032). The new loan is interest free, with share options being granted instead, as described in note 13.

Pitmans LLP solicitors are a related party by virtue of a number of partners having a shareholding in the company. During the year the company procured legal advice amounting to £15,308 (2019: £19,495) from Pitmans LLP. At 31 March 2020 the balance owed to Pitmans LLP was £3 (2019: £4,236).

Workbooks Inc are a related party due to common shareholding with Workbooks Online Limited in a position of control over the entity. During the the year there was purchases of amounting to £22,501 (2019: £33,907) and sales amounting to £218,982 (2019: £87,995). At 31 March 2020 the balance owed to Workbooks Inc was £Nil (2019: £2,546), balanced owed from Workbooks Inc was £21,851 (2019: £77,086).

These transactions were concluded on normal commercial terms.

---

**WORKBOOKS ONLINE LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

---

**23. Post balance sheet events**

In the prior year the Board reported that Workbooks had acquired a 10% stake in Workbooks Inc in the United States. This statement was incorrect, as the necessary share issuance and filing with relevant US authorities wasn't completed correctly. Workbooks Online Limited has subsequently acquired the 10% stake in Workbooks Inc in April 2020. There is now a post balance sheet event to be reported in this set of financial statements.