Registered number: 06329038

WORKSMART LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

WORKSMART LIMITED

COMPANY INFORMATION

Directors	P C MccGwire C J Williams A Nightingale M Jeffries A W Bower J D Pardy (appointed 13 December 2018)
Company secretary	M Griffiths
Registered number	06329038
Registered office	Beech House Linford Wood Milton Keynes Buckinghamshire MK14 6ES
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF
Bankers	Clydesdale Bank Plc Oxford Business & Private Banking Centre Seacourt Tower Botley Oxford OX2 0JJ

WORKSMART LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Directors present their report and the financial statements for the year ended 30 September 2019.

Business review

In the year revenue grew by 17% while the team launched its new award winning Accord SaaS product. Accord meets the needs of regulated financial services organisations to comply with the requirements of the Senior Managers and Certification Regime (SM&CR). Expanding the existing SM&CR regulations across the wider financial services market place has provided additional sales opportunities. The company continues to win new marquee clients (e.g. AFH and FNZ (UK) Ltd) with both its more comprehensive Foundation product as well as Accord.

Brexit

The activity of the Company is information technology services, primarily for FCA regulated entities in the UK. The Company has few customers or suppliers outside of the UK. As such the Directors deem the potential impact of Brexit on the business to be minimal.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

Directors

The Directors who served during the year were:

P C MccGwire
C J Williams
A Nightingale
M Jeffries
A W Bower
J D Pardy (appointed 13 December 2018)

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 19-2-20. and signed on its behalf.

PMccG —

P C MccGwire
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKSMART LIMITED

Opinion

We have audited the financial statements of Worksmart Limited (the 'Company') for the year ended 30 September 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 1.

The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an Implementation Period which is scheduled to end on 31 December 2020. However the terms of the future trade and other relationships with the European Union are not yet clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKSMART LIMITED

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In 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.

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' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORKSMART LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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

Stephen Brown

Stephen Brown (Senior Statutory Auditor)

For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 27 February 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019 £	2018 £
Sales	4,670,303	3,973,734
Cost of sales	(239,709)	(118,528)
Gross profit	4,430,594	3,855,206
Administrative expenses	(3,971,618)	(3,800,204)
Operating profit before exceptional income, depreciation, amortisation (EBITDA) (see note 17)	458,976	55,002
Exceptional income	-	400,000
Depreciation	(126,922)	(122,303)
Amortisation	(265,536)	(265,536)
Operating profit	66,518	67,163
Interest receivable and similar income	1,913	484,648
Interest payable and expenses	(192,135)	(227,305)
(Loss)/profit before tax	(123,704)	324,506
Tax on profit/(loss)	130,257	162,017
Profit for the financial year	6,553	486,523

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 9 to 18 form part of these financial statements.

BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note		2019 £		2018 £
Fixed assets					
Intangible assets	5		398,303		663,838
Tangible assets	6		252,734		281,211
			651,037		945,049
Current assets					
Debtors: amounts falling due within one year	7	1,692,297		866,958	
Cash at bank and in hand	8	716,002		391,803	
		2,408,299		1,258,761	
Creditors: amounts falling due within one year	9	(2,675,030)		(1,369,683)	
Net current liabilities			(266,731)		(110,922)
Total assets less current liabilities			384,306		834,127
Creditors: amounts falling due after more than one year	10		(2,798,570)		(3,206,434)
Provisions for liabilities					
Deferred tax	11	(102,406)		(150,916)	
			(102,406)		(150,916)
Net liabilities			(2,516,670)		(2,523,223)
Capital and reserves					
Called up share capital			3,836		3,836
Share premium account	12		572,535		572,535
Profit and loss account	12		(3,093,041)		(3,099,594)
			(2,516,670)		(2,523,223)

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 by:

PMcc[—

P C MccGwire
Director

Date: 19-2-20.

The notes on pages 9 to 18 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2018	3,836	572,535	(3,099,594)	(2,523,223)
Comprehensive income for the year				
Profit for the year	-	-	6,553	6,553
Total comprehensive income for the year	-	-	6,553	6,553
At 30 September 2019	3,836	572,535	(3,093,041)	(2,516,670)

The notes on pages 9 to 18 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2017	3,836	572,535	(3,586,117)	(3,009,746)
Comprehensive income for the year				
Profit for the year	-	-	486,523	486,523
Total comprehensive income for the year	-	-	486,523	486,523
At 30 September 2018	3,836	572,535	(3,099,594)	(2,523,223)

The notes on pages 9 to 18 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

Worksmart Limited is a private company limited by shares and incorporated in England and Wales. The registered company number is 0629038. The registered address is Beech House, Linford Wood, Milton Keynes, MK14 6ET.

The principal activity during the year continued to be that of information technology consultancy activities.

The financial statements are prepared in £GBP which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £GBP.

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 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 judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have prepared the financial statements on a going concern basis, despite having net liabilities of £2,646,927 at the balance sheet date, as the company continutes to repay its debts as they fall due according to current trading terms and other arrangements as set out in notes 13 and 14.

The directors have prepared profit and loss account, balance sheet and cash flow projections for the period of not less than 12 months from the date of signing the 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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life which is considered to be 10 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 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	- over the term of the lease
Plant & equipment	- 25% straight line
Fixtures & fittings	- 12.5% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.6 Debtors

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

2.7 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.

2.8 Financial instruments

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

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

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

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

2.9 Creditors

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

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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. Accounting policies (continued)

2.11 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

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

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2.16 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Employees

The average monthly number of employees, including directors, during the year was 50 (2018 - 49).

4. Exceptional items

In the prior year Cobalt Corporate Finance LLP waived its £400,000 deferred fee, previously recognised in Other creditors falling due after one year. This has been recognised in Exceptional income in the Statement of Comprehensive Income.

5. Intangible assets

	Development costs £	Goodwill £	Total £
Cost			
At 1 October 2018	1,327,677	3,504,869	4,832,546
At 30 September 2019	1,327,677	3,504,869	4,832,546
Amortisation			
At 1 October 2018	663,839	3,504,869	4,168,708
Charge for the year	265,535	-	265,535
At 30 September 2019	929,374	3,504,869	4,434,243
Net book value			
At 30 September 2019	398,303	-	398,303
At 30 September 2018	663,838	-	663,838

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

6. Tangible fixed assets

	Leasehold improvements £	Plant & equipment £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 October 2018	128,065	718,309	81,312	927,686
Additions	-	166,387	30,268	196,655
At 30 September 2019	128,065	884,696	111,580	1,124,341
Depreciation				
At 1 October 2018	60,767	543,995	41,713	646,475
Charge for the year on owned assets	43,170	162,944	19,018	225,132
At 30 September 2019	103,937	706,939	60,731	871,607
Net book value				
At 30 September 2019	24,128	177,757	50,849	252,734
At 30 September 2018	67,298	174,314	39,599	281,211

7. Debtors

	2019 £	2018 £
Trade debtors	1,222,555	533,669
Other debtors	78,110	115,288
Prepayments and accrued income	391,632	218,001
	1,692,297	866,958

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	716,002	391,803
	716,002	391,803

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	139,093	88,430
Other taxation and social security	474,646	307,471
Other creditors	85,486	60,294
Accruals and deferred income	1,975,805	913,488
	2,675,030	1,369,683

10. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans	2,798,570	3,206,434
	2,798,570	3,206,434

Secured loans

On 28 March 2018 the shareholder loans interest rate was reduced to 6% from 8% per annum and the accumulated interest was increased to 6% from 3% per annum, compounded annually. During the year interest charged on the shareholders loan amounted to £192,135 (2018: £227,305). Accrued interest amounts were waived by loan note holders to the sum of £484,060 in 2018, which has been recognised in Interest receivable and similar income in the Statement of Comprehensive Income.

Payment was made in the year of £600,000 that included capital of £284,925 and interest and associated tax of £315,075.

Tax relief is claimed on shareholder loan interest when it is paid.

11. Deferred taxation

	2019 £
At beginning of year	(150,916)
Charged to profit or loss	48,510
At end of year	(102,406)

11. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(102,406)	(150,916)

12. Reserves

Share premium account

This reserve represents the additional amounts paid for the issued shares in excess of the par value of those shares.

Profit & loss account

This reserve represents the cumulative profits and losses of the Company after payment of dividends.

13. Pension commitments

Contributions payable by the Company for the year totalled £75,238 (2018: £57,694). At the balance sheet date amounts outstanding relating to the pension of £20,125 can be found in creditors (2018: £13,983).

14. Commitments under operating leases

At 30 September 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Land and buildings		
Not later than 1 year	110,000	110,000
Later than 1 year and not later than 5 years	280,575	391,178
	390,575	501,178

	2019 £	2018 £
Other		
Not later than 1 year	1,256	810
Later than 1 year and not later than 5 years	-	446
	1,256	1,256

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

15. Related party transactions

The Company has taken advantage of the exemption available in accordance with Section 33 of FRS 102 not to disclose transactions entered into between two or more members of a group.

During the period, the Company paid fees of £12,857 (2018: £31,044) to Cobalt Corporate Finance LLP, a limited liability partnership in which P MccGwire, a director of the Company, is a member. At 30 September 2018 £Nil was outstanding (2018: £Nil).

P MccGwire and C J Williams have each provided shareholder loans of £152,679 (2018: £185,429). Capital repayments were made during the year of £32,750 (2018: £Nil), which has left a loan balance of £152,679. The loans attracted rolled up interest of £168,994 at the year end with interest being waived of £Nil (2018: £29,293). Historic accrued interest of £36,215 including tax deductions (2018: £Nil) was repaid in the year.

V Cooper, A Jeffries, C Jeffries and K Manson, family of director M Jeffries, have each provided shareholder loans of £114,509 (2018: £139,072). Capital repayments were made during the year of £24,563 (2018: £Nil), which has left a loan balance of £114,509. The loans attracted rolled up interest of £126,745 at the year end with interest being waived of £Nil (2018: £21,970). Historic accrued interest of £27,162 including tax deductions (2018: £Nil) was repaid in the year.

16. Controlling party

The immediate and ultimate controlling parties are considered to be Mr P MccGwire and Mr C Williams by virute of their shareholding in the Company.

17. Earnings before interest, tax, depreciation and amortisation

	2019 £	2018 £
Profit for the financial year	6,553	486,523
Tax credit	(130,257)	(162,017)
Net interest payable/(receivable)	190,222	(257,343)
Depreciation	126,922	122,303
Amortisation	265,536	265,536
Exceptional income	-	(400,000)
Total	458,976	55,002