

Registered number: 04064340

BOARDWORKS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



BOARDWORKS LIMITED

COMPANY INFORMATION

DIRECTORS	Robert Dargue Gregor Watson
COMPANY SECRETARY	Roxburgh Milkins Limited
REGISTERED NUMBER	04064340
REGISTERED OFFICE	1st Floor Vantage London Great West Road Brentford Middlesex TW8 9AG
INDEPENDENT AUDITORS	KPMG LLP Chartered Accountants 1 Sovereign Street Sovereign Street Leeds LS1 4DA

BOARDWORKS LIMITED

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BOARDWORKS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the period ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the Company in the period under review was that of development and supply of online testing software.

BUSINESS REVIEW

The potential impact of UK legislative changes is continually reviewed and mitigating strategies and actions are implemented as appropriate. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear (BREXIT), and the company continually evaluates all of the potential implications on the group's trade, customers, suppliers and the wider economy and the directors do not currently expect the withdrawal to have material affect on the company.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £631,000 (2017: loss £619,000).

The company has not declared any dividends during the current or prior period.

DIRECTORS

The directors who served during the period were:

Robert Dargue
Gregor Watson

DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, KPMG 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.

BOARDWORKS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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



Robert Dargue
Director

Date: 27 September 19

1st Floor Vantage London
Great West Road
Brentford
Middlesex
TW8 9AG

BOARDWORKS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2018

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOARDWORKS LIMITED

Opinion

We have audited the financial statements of Boardworks Limited ("the company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the statement of financial position and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

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

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as 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.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty 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 and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. 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 auditor's report is not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOARDWORKS LIMITED *(continued)*

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOARDWORKS LIMITED (*continued*)

The purpose of our audit work and to whom we owe our responsibilities

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.



**Katharine L'Estrange (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

27.9.19

BOARDWORKS LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018**

		Year ended 31 December 2018 £000	15 month period ended 31 December 2017 £000
	Note		
Turnover	4	2,229	1,800
Cost of sales		(441)	(644)
GROSS PROFIT		1,788	1,156
Administrative expenses		(1,498)	(2,227)
Exceptional administrative expenses		(58)	(227)
Other operating income	5	391	557
OPERATING PROFIT/(LOSS)	6	623	(741)
Interest receivable and similar income	8	8	6
Interest payable and expenses	9	(3)	(5)
PROFIT/(LOSS) BEFORE TAX		628	(740)
Tax on profit/(loss)	10	3	121
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		631	(619)

There was no other comprehensive income for 2018 (2017: £NIL).

The notes on pages 9 to 24 form part of these financial statements.

All amounts relate to continuing operations.

BOARDWORKS LIMITED
REGISTERED NUMBER: 04064340

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
FIXED ASSETS			
Intangible assets	12	1,123	732
Tangible assets	13	7	15
		<u>1,130</u>	<u>747</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	14	1,737	2,008
Cash at bank and in hand		8	337
		<u>1,745</u>	<u>2,345</u>
Creditors: amounts falling due within one year	15	(1,499)	(2,347)
NET CURRENT ASSETS/(LIABILITIES)		<u>246</u>	<u>(2)</u>
NET ASSETS		<u><u>1,376</u></u>	<u><u>745</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	-	-
Profit and loss account	18	1,376	745
TOTAL EQUITY		<u><u>1,376</u></u>	<u><u>745</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Robert Dargue
Director

Date: 22 September 19

The notes on pages 10 to 23 form part of these financial statements.

BOARDWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Boardworks Limited (Company registration is (04064340) is a limited liability company registered in England and Wales. The registered office is 1st Floor Vantage London, Great West Road, Brentford, Middlesex, TW8 9AG.

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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate UK parent undertaking, GLE UK Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of GLE UK Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from C/O Roxburgh Milkins LLP, Merchants House North, Wapping Road, Bristol, BS1 4RW.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £000.

The following principal accounting policies have been applied:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (continued)

2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

In accordance with FRS 101 the Company has not made the disclosures mentioned above as it was a wholly owned subsidiary undertaking of GLE UK TopCo Limited which produces fully consolidated accounts which are publicly available.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The following standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) or by the International Financial Reporting Council Interpretations Committee (IFRIC) and have been adopted for the period ended 31 December 2018:

Amendments to IFRS 7	'Financial Instruments: Disclosures'
Amendments to IFRS 9	'Financial Instruments'
Amendments to IFRS 2	'Classification and Measurement of Share-Based Payment Transactions'
Amendments to IFRS 15	'Revenue from Contracts with Customers'
Amendments to IFRS 1&IAS 28	'Annual Improvements to IFRSs 2014-2016 Cycle'
IFRIC 22	'Foreign Currency Translation and Advance Consideration'

The adoption of these new IFRS' have not had a material impact on the financial statements.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2018 and have not been adopted early:

IFRS 16	'Leases'
IFRS 9	'Prepayment Feature with Negative Compensation'
IFRIC 23	'Uncertainty over Income Tax Treatments'

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES (continued)

2.3 GOING CONCERN

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its fellow group companies, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on fellow group companies providing additional financial support during that period. The wider group has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.4 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

IFRS 15 introduces principles to recognise revenue by allocation of the transaction price to performance obligations and is effective for accounting periods commencing on or after 1 January 2018. Revenue is attributable to the sales of digital licenses and physical products.

For product sales revenue is subject to a single performance obligation fulfilled by receipt of goods at the point of payment with minimal returns and refunds. For the sale of annual licences revenue is subject to a single performance obligation and the revenue is recognised over time based on an output method of revenue recognition in line with historical usage trends for the licences. Where online credits are issued to use the platform, revenue is subject to a single performance obligation and revenue is recognised at a point in time when credits are redeemed. Adoption of the measurement and recognition principles under IFRS 15 has no impact on the values reported in these financial statements.

2.5 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.

2. ACCOUNTING POLICIES (continued)

2.6 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.

2.7 INTEREST INCOME

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

2.8 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.

2.9 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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (continued)

2.10 CURRENT AND DEFERRED TAXATION

The tax expense for the period 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 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.

2.11 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.12 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.

Amortisation is provided on the following bases:

Development expenditure	-	5 % Straightline
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2.13 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.

2. ACCOUNTING POLICIES (continued)

2.13 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25% straight line
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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.

2.14 IMPAIRMENT

Management carries out a regular review of the status of the assets of the Group to determine whether there is any indication that these assets have suffered any impairment.

If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment, which is then recognised in profit or loss. Management checks whether there is objective evidence that the assets are impaired and that the fair values have declined. Management estimates of the impairment are based on critical evaluation of the economic circumstances involved, historical experience and other factors considered to be relevant.

2.15 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.

The Company uses an allowance matrix to measure the estimated credit losses and impairments of trade and other receivables from individual customers, which comprise a very large number of small balances. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a known loss component based on historical data for similar financial assets. Loss rates are based on actual credit loss experience over the past seven years and are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

2.16 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. ACCOUNTING POLICIES (continued)

2.17 FINANCIAL INSTRUMENTS

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company uses an allowance matrix to measure the estimated credit losses and impairments of trade and other receivables from individual customers, which comprise a very large number of small balances. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a known loss component based on historical data for similar financial assets. Loss rates are based on actual credit loss experience over the past seven years and are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

Loans and payables

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

2.18 CREDITORS

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

BOARDWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (continued)

2.19 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 the Statement of comprehensive income 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.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Revenue recognition

Estimates are necessary in order to evaluate the expected usage of digital services by customers in the future, on licences that straddle the year end.

The estimates used to assess revenue recognition on digital services, involve applying judgements using the historical usage patterns of customers and projecting these into the future, whilst also taking account of any changes to the nature or delivery of these licences that may affect future usage.

Capitalised research & development expenditure

It is the Group's policy to capitalise development expenditure and to amortise this expenditure over the estimated life of the asset. Expenditure incurred to date relates primarily to the following:

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2018 £000	2017 £000
United Kingdom	2,044	1,800
Rest of Europe	17	-
Rest of the world	168	-
	<u>2,229</u>	<u>1,800</u>

BOARDWORKS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018****5. OTHER OPERATING INCOME**

	Year ended 31 December 2018 £000	15 month period ended 31 December 2017 £000
Management recharges	391	557
	<u>391</u>	<u>557</u>

6. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	Year ended 31 December 2018 £000	15 month period ended 31 December 2017 £000
Research & development charged as an expense	1	-
Depreciation of tangible fixed assets	7	8
Amortisation of intangible assets	410	711
Exchange differences	6	(157)
Defined contribution pension cost	56	58
	<u>56</u>	<u>58</u>

The remuneration of the auditor of £8,327 (2017: £8,000) is borne by a fellow group undertaking.

BOARDWORKS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018****7. EMPLOYEES**

Staff costs were as follows:

	Year ended 31 December 2018 £000	15 month period ended 31 December 2017 £000
Wages and salaries	542	1,281
Social security costs	103	180
Cost of defined contribution scheme	56	58
	<u>701</u>	<u>1,519</u>

The average monthly number of employees, including the directors, during the period was as follows:

	Year ended 31 December 2018 No.	15 month period ended 31 December 2017 No.
Employees	<u>30</u>	<u>41</u>

8. INTEREST RECEIVABLE

	Year ended 31 December 2018 £000	15 month period ended 31 December 2017 £000
Interest receivable from group companies	8	6
	<u>8</u>	<u>6</u>

BOARDWORKS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 December 2018 £000	15 month period ended 31 December 2017 £000
Bank interest payable	1	4
Interest payable to group undertakings	2	1
	<u>3</u>	<u>5</u>

10. TAXATION

	Year ended 31 December 2018 £000	15 month period ended 31 December 2017 £000
CORPORATION TAX		
Current tax on profits for the year	-	(114)
Adjustments in respect of previous periods	-	(7)
TOTAL CURRENT TAX	<u>-</u>	<u>(121)</u>
DEFERRED TAX		
Origination and reversal of timing differences	(3)	-
TOTAL DEFERRED TAX	<u>(3)</u>	<u>-</u>
TAXATION ON LOSS ON ORDINARY ACTIVITIES	<u>(3)</u>	<u>(121)</u>

BOARDWORKS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018****10. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CREDIT FOR THE YEAR**

The tax assessed for the period is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.4%). The differences are explained below:

	Year ended 31 December 2018 £000	15 month period ended 31 December 2017 £000
Profit/(loss) on ordinary activities before tax	628	(740)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.4%)	120	(143)
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	1
Adjustments to tax charge in respect of prior periods	-	(7)
Losses carried back	-	6
Adjust closing deferred tax to average rate of 19.40%	17	-
Adjust opening deferred tax to average rate of 19.40%	(30)	-
Deferred tax not recognised	(110)	22
Group relief	-	114
Payments for group relief	-	(114)
TOTAL TAX CHARGE FOR THE PERIOD	(3)	(121)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted in the Finance Act 2016.

BOARDWORKS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018****11. EXCEPTIONAL ITEMS**

	Year ended 31 December 2018 £000	15 month period ended 31 December 2017 £000
Redundancy costs	58	227
	<u>58</u>	<u>227</u>

The redundancy costs relate to costs incurred whilst re-aligning the workforce of the Group.

12. INTANGIBLE ASSETS

	Development costs £000
COST	
At 1 January 2018	2,744
Additions - internal	801
At 31 December 2018	<u>3,545</u>
AMORTISATION	
At 1 January 2018	2,012
Charge for the year	410
At 31 December 2018	<u>2,422</u>
NET BOOK VALUE	
At 31 December 2018	<u>1,123</u>
At 31 December 2017	<u>732</u>

BOARDWORKS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018****13. TANGIBLE FIXED ASSETS**

	Office equipment £000
COST OR VALUATION	
At 1 January 2018	17
Disposals	(1)
At 31 December 2018	16
DEPRECIATION	
At 1 January 2018	2
Charge for the period on owned assets	7
At 31 December 2018	9
NET BOOK VALUE	
At 31 December 2018	7
At 31 December 2017	15

BOARDWORKS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018****14. DEBTORS**

	2018	2017
	£000	£000
Trade debtors	-	130
Amounts owed by group undertakings	1,711	1,842
Other debtors	7	7
Prepayments and accrued income	16	29
Deferred taxation	3	-
	1,737	2,008

The amounts by group undertakings are unsecured, repayable on demand and are charged interest at 1.5%.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£000	£000
Trade creditors	-	52
Amounts owed to group undertakings	146	80
Other taxation and social security	-	65
Other creditors	5	9
Accruals and deferred income	1,348	2,141
	1,499	2,347

The amounts owed to group undertakings are unsecured, repayable on demand and are charged interest at 1.5%

16. DEFERRED TAXATION

	2018
	£000
At 1 January 2018	-
Charged to profit or loss	3
AT 31 DECEMBER 2018	3

BOARDWORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

16. DEFERRED TAXATION (CONTINUED)

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	3	-
	<u>3</u>	<u>-</u>

17. SHARE CAPITAL

	2018 £000	2017 £000
ALLOTTED, CALLED UP AND FULLY PAID		
100 (2017: 100) Ordinary shares of £1.00 each	-	-
	<u>-</u>	<u>-</u>

18. RESERVES

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses. All are considered distributable.

19. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £55,833 (2017: £58,177). Contributions totalling £Nil (2017: £8,825) were payable to the fund at the reporting date and are included in creditors.

20. CONTROLLING PARTY

At 31 December 2018, the immediate parent company was GL Education Group Limited, a company incorporated and registered in England and Wales. The results of the company are included within the consolidated accounts of GLE UK TopCo Limited. The directors consider that Levine Leichtman Capital Partners Fund V, L.P. and LLC Co-Investment Fund, L.P. (collectively "LLCP"), Delaware, USA, registered entities (registered numbers: 5199388 and 5604129), were the ultimate parent undertakings of the company at 31 December 2018.