

CORNDEL LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**



CORNDEL LIMITED

COMPANY INFORMATION

Directors

R D Alberg
S M Brandman
G Browning
C Elliott
J N Kelly
M Khan
J A Norton
D M Shavick
S T Williams

Registered number

10369857

Registered office

315 Highgate Studios
53-79 Highgate Road
Kentish Town
London
England
NW5 1TL

Independent auditor

Nexia Smith & Williamson
Chartered Accountants & Statutory Auditor
25 Moorgate
London
EC2R 6AY

CORNDEL LIMITED

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CORNDEL LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

Introduction and principal activity

Corndel is a unique, multi-award-winning UK management and technology training provider. At our heart, Corndel exists to provide brilliant, people-based training. This disruptive focus on training brilliance, with one-to-one coaching from commercial experts at its heart, has made us the go-to provider for large multinational clients focused on quality. Corndel is one of the UK's largest providers of data analytics and management apprenticeship programmes. We use the Apprenticeship Levy to deliver this high-quality training with no further cost to customers.

Business review

The business has continued to grow rapidly with Revenue up 34% on the previous 6 months at £7.5m. This has been achieved by establishing strong relationships with large corporates and providing tailored programmes to meet their digital and management training needs. We have won several awards for our training provision and growth.

We continued to invest in staff for further rapid growth. As a result, both our profit before tax and EBITDA for the 6 months remained stable at £0.2m. This was broadly in line with management plans for the year.

	6 month period ended 31 December 2019	6 month period ended 30 June 2019	% Change
Revenue	£7.5m	£5.6m	34%
Net profit	£0.2m	£0.3m	(37%)
EBITDA	£0.2m	£0.4m	(31%)
Learner Numbers (000s)	2.8	2.2	31%

Principal risks and uncertainties

Corndel's approach to risk management involves regularly identifying and reviewing material risks within our Senior Leadership Team. These are presented for consideration and approval at Board level. This section highlights some of the key risks and uncertainties which affect Corndel and how they are mitigated.

Strategic & Economic Risks

Covid-19 is our key strategic and economic risk. Furlough of L&D employees may delay starts; more generally client staff restructures (or failure) may reduce learners able to go on programme. We are strategically diversified among large clients making us less susceptible to shocks, and have training programmes to help clients with furloughed staff.

Financial Risks

The company's financial instruments comprise of cash and cash equivalents and items such as trade creditors and trade debtors which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's operations.

The company's operations expose it to a variety of financial risks including credit risk, liquidity risk, and foreign currency exchange rate risk. The policies set by the board of directors are implemented by the company's finance department.

Credit risk

The company's credit risk is primarily attributable to its trade debtors. The vast majority of this relates to UK government backed debtors. The carrying amount of financial assets represents the maximum credit exposure.

CORNDEL LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

Liquidity risk

The company has no debt. It monitors its levels of working capital to ensure that it can meet operational obligations as they fall due. The company's financial liabilities (none of which are derivative financial liabilities) comprise trade creditors. The trade creditors are all payable within twelve months.

Foreign currency exchange rate risk

The company is exposed to an immaterial foreign currency exchange rate risk as a result of trade creditors which will be settled in dollars. Accordingly it does not hedge any of its trading activities.

Operational Risks

Significant cyber security breach or outage

Corndel has invested in secure IT platforms and achieved IT security accreditation with major investment banks as a pre-condition of delivering training to them.

Recruitment and retention of key employees

Corndel attracts and retains staff through a positive, hyperflexible, people led working environment; the majority of our staff are home-based, with a large portion working part-time to facilitate other life commitments. Remuneration packages include longer term incentives aligning personal success to that of the business.

Regulatory Risks

Internal processes and policies are designed to meet regulatory requirements, including a dedicated team focused on ESFA and Ofsted best practice, data protection, whistleblowing, safeguarding and other policies.

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



S T Williams

Director

Date: 22 July 2020

CORNDEL LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

The directors present their report and the financial statements for the period ended 31 December 2019.

Results and dividends

The profit for the period, after taxation, amounted to £163,268 (*6 months to 30 June 2019: £258,998*).

No dividends have been paid or proposed in the year (*6 months to 30 June 2019: £Nil*).

Directors

The directors who served during the period were:

R D Alberg
S M Brandman
G Browning
C Elliott
J N Kelly
M Khan
J A Norton
D M Shavick
S T Williams

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.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

CORNDEL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

Future developments and impact of COVID-19

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

Due to the timing of the outbreak, the Company has determined that these events are non-adjusting subsequent events. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time.

The directors have reviewed cashflow forecasts for at least the 12 month period from the date of signing of these financial statements and have assessed the current and potential impact of the COVID-19 pandemic. Despite COVID-19, the Company has continued to grow since the period end. As we provided a significant percentage of our services to learners remotely before the pandemic, we have been able to continue to operate profitably in the period from the year-end to the signing of these financial statements including between April and July 2020.

Corndel intends to continue its growth trajectory. As well as expanding into new apprenticeships standards, we may look at international expansion and employability opportunities.

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



S T Williams
Director

Date: 22 July 2020

CORNDEL LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

The directors are responsible for preparing the Strategic Report, 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 judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORNDEL LIMITED

Opinion

We have audited the financial statements of Corndel Limited (the 'Company') for the 6 month period ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the 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 31 December 2019 and of its profit for the period 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.

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.

Emphasis of matter

We draw attention to note 2.2 of the financial statements, which describes the impact of COVID-19 on the Company. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORNDEL LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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

Matters on which we are required to report by exception

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 Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORNDEL LIMITED (CONTINUED)

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 our 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 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.

Nexia Smith & Williamson

Timothy Adams (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants
Statutory Auditor

25 Moorgate
London

EC2R 6AY

Date: 23 July 2020

CORNDEL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2019

	6-month period ended 31 December 2019 £	6-month period ended 30 June 2019 £
Turnover	7,532,339	5,622,659
Cost of sales	(5,377,878)	(4,198,579)
Gross profit	2,154,461	1,424,080
Administrative expenses	(1,991,254)	(1,127,927)
Operating profit	163,207	296,153
Interest receivable and similar income	61	-
Interest payable and similar expenses	-	(37,155)
Profit before tax	163,268	258,998
Tax on profit	-	-
Profit for the financial period	163,268	258,998

There was no other comprehensive income for the 6-month period ended 31 December 2019 (6-month period ended 30 June 2019: £Nil).

CORNDEL LIMITED
REGISTERED NUMBER: 10369857

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	31 December 2019 £	30 June 2019 £
Fixed assets			
Intangible assets	11	371,803	222,140
Tangible assets	12	112,765	70,425
		<u>484,568</u>	<u>292,565</u>
Current assets			
Debtors: amounts falling due within one year	13	1,445,712	1,157,344
Cash at bank and in hand	14	721,662	359,045
		<u>2,167,374</u>	<u>1,516,389</u>
Creditors: amounts falling due within one year	15	(1,871,157)	(1,229,604)
Other provisions	16	(20,460)	-
		<u>275,757</u>	<u>286,785</u>
Net current assets		<u>275,757</u>	<u>286,785</u>
Total assets less current liabilities		<u>760,325</u>	<u>579,350</u>
Net assets		<u>760,325</u>	<u>579,350</u>
Capital and reserves			
Called up share capital	18	114	114
Share premium account	19	1,897,973	1,897,973
Share-based payments reserve	19	17,707	-
Profit and loss account	19	(1,155,469)	(1,318,737)
Shareholders' funds		<u>760,325</u>	<u>579,350</u>

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



S T Williams
 Director

Date: 22 July 2020

The notes on pages 15 to 30 form part of these financial statements.

CORNDEL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Called up share capital £	Share premium account £	Share-based payments reserve £	Profit and loss account £	Total equity £
At 1 January 2019	99	1,327,988	103,023	(1,680,758)	(249,648)
Comprehensive income for the period					
Profit for the period	-	-	-	258,998	258,998
Loan conversion	15	569,985	-	-	570,000
Transfer to/from profit and loss account	-	-	(103,023)	103,023	-
At 1 July 2019	114	1,897,973	-	(1,318,737)	579,350
Comprehensive income for the period					
Profit for the period	-	-	-	163,268	163,268
Share-based payments charge	-	-	17,707	-	17,707
At 31 December 2019	114	1,897,973	17,707	(1,155,469)	760,325

CORNDEL LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2019

	6-month period ended 31 December 2019 £	6-month period ended 30 June 2019 £
Cash flows from operating activities		
Profit for the financial period	163,268	258,998
Adjustments for:		
Amortisation of intangible assets	45,335	33,282
Depreciation of tangible assets	39,280	31,083
Interest paid	-	37,155
Interest received	(61)	-
(Increase) in debtors	(362,769)	(373,188)
Increase in creditors	715,954	276,791
Increase in provisions	20,460	-
Share options issued	17,707	-
Net cash generated from operating activities	639,174	264,121
Cash flows from investing activities		
Purchase of intangible fixed assets	(194,998)	(36,838)
Purchase of tangible fixed assets	(81,620)	(26,998)
Interest received	61	-
Net cash from investing activities	(276,557)	(63,836)

CORNDEL LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

	31 December 2019 £	30 June 2019 £
Cash flows from financing activities		
Issue of ordinary shares	-	570,000
Repayment of other loans	-	(964,822)
Interest paid	-	(37,155)
Net cash used in financing activities	<u>-</u>	<u>(431,977)</u>
Net increase/(decrease) in cash and cash equivalents	362,617	(231,692)
Cash and cash equivalents at beginning of period	359,045	590,737
Cash and cash equivalents at the end of period	<u>721,662</u>	<u>359,045</u>
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	721,662	359,045
	<u>721,662</u>	<u>359,045</u>

CORNDEL LIMITED

**ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	At 1 July 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	359,045	362,617	721,662
	359,045	362,617	721,662

CORNDEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1. General information

Corndel Limited is a private Company, limited by shares, domiciled and incorporated in England and Wales (registered number: 10369857). The registered office address is 315 Highgate Studios 53-79 Highgate Road, Kentish Town, London, England, NW5 1TL.

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 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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

As at 31 December 2019, the Company had net current assets of £275,757 and generated EBITDA in the 6 months to 31 December 2019 of £247,821.

As at 31 December 2019 and at the signing of these financial statements, the Company has no external debt, it had a cash balance of £721,662 at 31 December 2019 and is not reliant upon the financial support of third parties.

Forecasts prepared by management show the Company is expected to remain cash generative and to generate positive EBITDA for the foreseeable future being a period of at least 12 months from the signing of these financial statements.

The impact and duration of COVID-19 is however uncertain and therefore the directors have modelled a range of scenarios which take into account the ability of the Company to adapt its cost base should this be required. In all of the scenarios modelled, the Company would still be in a position to continue in operational existence for a period of at least 12 months from the signing of these financial statements, taking into account the cost savings that would be implemented.

For this reason the directors have prepared the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

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.

2.4 Operating leases: the Company as lessee

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.

2.5 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.

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.

2.6 Interest income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 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.

2.8 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.

Internally and externally generated content is capitalised as intangible fixed assets as it is an identifiable non-monetary asset without physical substance whose costs can be reliably estimated, and it is probably that future economic benefits that are attributable to the asset will flow to the Company.

Internally and externally generated content is amortised over five years using the straight-line basis. The directors have estimated the five year useful life of the intangible assets, being educational content.

2.9 Impairment of intangible assets

Intangible assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

2.10 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, as follows.

Depreciation is provided on the following basis:

Motor vehicles	- 33% reducing balance
Computer equipment	- straight-line over 2 years

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.11 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.12 Convertible debt

The proceeds received on the issue of the Company's convertible debt are allocated into their liability and equity components and presented separately in the Balance Sheet.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently remeasured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

2.13 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 profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.14 Employment benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the period and those actually paid are shown as either accruals or prepayments in the Balance Sheet.

2.15 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss 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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.16 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 Balance Sheet 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 Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.17 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 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.

CORNDEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

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

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

In preparing these financial statements, the directors have had to make the following judgments:

Financial instrument classification:

The classification of financial instruments as "basic" or "other" requires judgement as to whether all applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

Key sources of estimation uncertainty

Recoverability of debtors:

The trade debtors balance of £1,362,822 recorded in the company's balance sheet comprises one large and a number of smaller balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that any provisions against debtors are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

4. Turnover

All turnover relates to the provision of digital and management apprenticeship programmes.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	6-month period ended 31 December 2019 £	<i>6-month period ended 30 June 2019 £</i>
Exchange differences	2,006	532
Other operating lease rentals	47,880	40,590
	<u>49,886</u>	<u>41,122</u>

CORNDEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

6. Auditor's remuneration

	6-month period ended 31 December 2019 £	6-month period ended 30 June 2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	15,500	10,500

7. Employees

Staff costs, including directors' remuneration, were as follows:

	6-month period ended 31 December 2019 £	6-month period ended 30 June 2019 £
Wages and salaries	3,503,059	2,266,494
Social security costs	381,010	239,660
Cost of defined contribution scheme	134,401	103,212
	<u>4,018,470</u>	<u>2,609,366</u>

The average monthly number of employees, including directors, during the period was 132 (6 months to 30 June 2019: 95).

CORNDEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

8. Directors' remuneration

	6-month period ended 31 December 2019 £	<i>6-month period ended 30 June 2019 £</i>
Directors' emoluments	306,881	250,028
Directors' pension costs	14,038	10,245
	<u>320,919</u>	<u>260,273</u>

During the period retirement benefits were accruing to 6 directors (6 months to 30 June 2019: 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £80,090 (6 months to 30 June 2019: £75,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,500 (6 months to 30 June 2019: £3,750).

9. Interest payable and similar expenses

	6-month period ended 31 December 2019 £	<i>6-month period ended 30 June 2019 £</i>
Other convertible loan interest payable	-	37,155
	<u>-</u>	<u>37,155</u>

CORNDEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

10. Taxation

	6-month period ended 31 December 2019 £	<i>6-month period ended 30 June 2019 £</i>
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the period

The tax assessed for the period is lower than (*2019 - lower than*) the standard rate of corporation tax in the UK of 19% (*2019: 19%*). The differences are explained below:

	6-month period ended 31 December 2019 £	<i>6-month period ended 30 June 2019 £</i>
Profit on ordinary activities before tax	163,268	258,998
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (<i>2019 - 19%</i>)	31,021	49,210
Effects of:		
Expenses not allowable for taxation	10,795	27,333
Capital allowances	(15,758)	(22,798)
Utilised tax losses	(26,058)	(53,745)
Total tax charge for the period	-	-

Factors that may affect future tax charges

The Company has unrelieved tax losses of £1,269,658 as at 31 December 2019 (*30 June 2019: £1,406,800*) for which no deferred tax asset has been recognised.

CORNDEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

11. Intangible assets

	Content £
Cost	
At 1 July 2019	351,103
Additions	194,998
At 31 December 2019	<u>546,101</u>
Amortisation	
At 1 July 2019	128,963
Charge for the period	45,335
At 31 December 2019	<u>174,298</u>
Net book value	
At 31 December 2019	<u>371,803</u>
<i>At 30 June 2019</i>	<u>222,140</u>

CORNDEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

12. Tangible fixed assets

	Motor vehicles £	Computer equipment £	Total £
Cost			
At 1 July 2019	28,140	124,971	153,111
Additions	-	81,620	81,620
At 31 December 2019	<u>28,140</u>	<u>206,591</u>	<u>234,731</u>
Depreciation			
At 1 July 2019	17,022	65,664	82,686
Charge for the period	1,853	37,427	39,280
At 31 December 2019	<u>18,875</u>	<u>103,091</u>	<u>121,966</u>
Net book value			
At 31 December 2019	<u>9,265</u>	<u>103,500</u>	<u>112,765</u>
At 30 June 2019	<u>11,118</u>	<u>59,307</u>	<u>70,425</u>

13. Debtors

	31 December 2019 £	30 June 2019 £
Trade debtors	1,362,822	1,102,386
Other debtors	32,355	23,766
Prepayments and accrued income	50,535	31,192
	<u>1,445,712</u>	<u>1,157,344</u>

CORNDEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

14. Cash and cash equivalents

	31 December 2019 £	<i>30 June 2019 £</i>
Cash at bank and in hand	721,662	<i>359,045</i>
	<u>721,662</u>	<i><u>359,045</u></i>

15. Creditors: Amounts falling due within one year

	31 December 2019 £	<i>30 June 2019 £</i>
Trade creditors	687,479	<i>305,855</i>
Other taxation and social security	235,790	<i>173,524</i>
Other creditors	61,233	<i>45,808</i>
Accruals and deferred income	886,655	<i>704,417</i>
	<u>1,871,157</u>	<i><u>1,229,604</u></i>

16. Provisions

	Other provisions £
Charged to profit or loss	20,460
At 31 December 2019	<u>20,460</u>

CORNDEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

17. Financial instruments

	31 December 2019 £	30 June 2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	721,662	359,045
Financial assets that are debt instruments measured at amortised cost	1,362,822	1,102,386
	<u>2,084,484</u>	<u>1,461,431</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,574,134)</u>	<u>(1,010,272)</u>

Financial assets measured at fair value through profit or loss are comprised of cash & cash equivalents.

Financial instruments measured at amortised cost are comprised of items such as trade debtors and creditors which arise directly from operations.

Risk Management

The overall objective of the directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. All funding requirements and financial risks are managed based on policies and procedures adopted by the directors. The Company does not use derivative financial instruments such as forward currency contracts, interest rate swaps or similar instruments. The Company does not use or issue financial instruments of a speculative nature.

Credit risk:

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial assets, principally trade receivables and deposits. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 December 2019, being £1,362,822 (30 June 2019: £1,102,386).

Liquidity risk:

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring forecast cash inflows and outflows due in day-to-day business using rolling cash flow forecasts. The Company's policy is to ensure facilities are available as required to issue share capital and draw loans in accordance with long-term cash flow forecasts.

Capital risk:

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company's activities are of a type and state of development where the most suitable capital structure consists of equity and convertible loans. The directors will reassess the future capital structure when the Company maturity is sufficiently advanced.

CORNDEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

18. Share capital

	31 December 2019 £	<i>30 June 2019 £</i>
Allotted, called up and fully paid		
0 (30 June 2019: 114,331) Ordinary shares of £0.00100 each	-	114
2,286,620 (30 June 2019: 0) Ordinary shares of £0.00005 each	114	-
	<hr/> 114 <hr/>	<hr/> 114 <hr/>

On the 9 October 2019 the Company sub-divided the existing Ordinary £0.001 shares to Ordinary £0.0005 shares.

19. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Share-based payments reserve

This reserve relates to the fair value of options granted which has been charged to the profit and loss account.

Profit and loss account

This reserve relates to cumulative retained earnings less amounts distributed to shareholders or used to fund repurchase of shares.

20. Share-based payments

The Company offers an equity-settled share-based compensation scheme.

On 1 October 2019 there was a shared understanding entered into with 130 employees with regard to the issue of 21,594 options over 21,594 Ordinary shares of £0.00005 each at an exercise price of £0.82. A share option charge has been recognised during the period of £17,707 based on the value of the shares issued. The options have vesting periods between 0 and 18 months and for the shares to vest, employees must have worked at the Company for at least 18 months.

Options may be exercised by the employee in whole or in part at any time during the option period, being the 90 day period following an exit event to the extent the vesting criteria have been satisfied.

As at the year-end, no options had been forfeited.

CORNDEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

21. Pension commitments

The Company operates a defined contribution 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 £134,397 (6 months to 30 June 2019: £103,312). Contributions totalling £47,968 (30 June 2019: £31,609) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

As at 31 December 2019, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2019 £	30 June 2019 £
Not later than 1 year	12,340	10,000
	12,340	10,000

23. Related party transactions

During the period, turnover of £87,845 (6 months to 30 June 2019: £140,270) was recognised for services provided to a Company that is a related party due to its shareholding and common directorship. At the period end, £12,570 (30 June 2019: £15,868) was outstanding to be paid by the related parties.

During the period, expenditure of £305,997 (6 months to 30 June 2019: £292,160) was incurred with two related companies for services received. The companies are related due to common directorship. At the period end, £75,628 (30 June 2019: £46,928) was outstanding to be paid to the related parties.

During the period, close family members of directors provided services to the Company totalling £9,873 (6 months to 30 June 2019: £1,830). At the period end £6,390 (30 June 2019: £Nil) was outstanding to be paid to the related parties.

24. Post balance sheet events

Impact of COVID-19

Due to the timing of the COVID-19 outbreak, the Company has determined that this is a non-adjusting post balance sheet event. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect its impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time.

25. Controlling party

The directors do not consider there to be an ultimate controlling party.