

# Financial Statements

## Learning Pool Limited

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For the Year Ended 30 April 2021



Registered number: NI060102

## Company Information

<b>Directors</b>	Paul McElvaney Sam Barbee Deborah Jane Limb Mark Lynch Duncan Shores
<b>Company secretary</b>	Louise McElvaney
<b>Registered number</b>	NI060102
<b>Registered office</b>	Old City Factory 100 Patrick Street Londonderry BT48 7EL
<b>Independent auditor</b>	Grant Thornton (NI) LLP Chartered Accountants & Statutory Auditors 12 - 15 Donegall Square West Belfast BT1 6JH
<b>Bankers</b>	Ulster Bank Da Vinci Complex Culmore Road Londonderry BT48 8JB
<b>Solicitors</b>	Millar McCall Wylie 4 - 10 Donegall Square East Belfast Co. Antrim BT1 5HD

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# Strategic Report

For the Year Ended 30 April 2021

## Introduction

The directors present the strategic report on Learning Pool Limited (“the Company”) for the year ended 30 April 2021.

The directors, in preparing this strategic report, have complied with s414 of the Companies Act 2006.

## Principal Activity and Business Review

The principal activity of the Group is the development and sale of e-learning technology platforms and related content and services. The product set facilitates employee learning and development, and is sold into the workplace segment in both domestic and global markets.

The fiscal year for the twelve month period to the end of April 2021 saw a strong performance as the Group delivered robust revenue growth both organically and through acquisitions.

The directors are satisfied with the Group’s progress during the year and are encouraged by the strong momentum within the business against the backdrop of increased uncertainty in all major markets due to the COVID-19 pandemic.

At the end of 2020 the Group acquired Remote Learner as part of its wider growth strategy; Remote Learner is a company which offers learning solutions to customers in the United States and Canada.

Key metrics for the year ended 30 April 2021 include:

- Recognised revenue grew by 22% to £22.0m (2020: £18.1 million), (Company £18.3 million an increase of 13% on FY20);
- Cash at bank increased to £9.26 million (2020 £4.78 million); (Company £8.3 million);
- The group continues to generate cash, and has also increased its headcount despite the COVID-19 pandemic.

The group continues to make substantial investments in development across its product range, investing more than £2.5 million in the twelve months to the end of April 2021. The Group has been successful in winning new business volumes across its portfolio including some major international customers.

## Other key performance indicators

The directors do not consider any non-financial KPIs to be appropriate.

## Financial key performance indicators

The company’s KPIs are as follows:

	2021	2020
	£	£
Turnover	<u>18,270,068</u>	<u>16,164,177</u>

**Learning Pool Limited**

# Strategic Report (continued)

For the Year Ended 30 April 2021

This report was approved by the board on 20/1/2022 | 11:34 GMT and signed on its behalf.

*Paul McEvaney*

**Paul McEvaney**  
Director

# Directors' Report

For the Year Ended 30 April 2021

The directors present their report and the financial statements for the year ended 30 April 2021.

## Directors' responsibilities statement

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;
- 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.

## Results and dividends

The profit for the year, after taxation, amounted to £3,518,108 (2020 - £2,832,458).

Dividends of £Nil (2020: £593,188) were paid in the year.

The directors consider the results of the company to be expected and expect the company to maintain its current growth trajectory in the future.

## Directors' Report (continued)

For the Year Ended 30 April 2021

### **Directors**

The directors who served during the year were:

Paul McElvaney  
Sam Barbee  
Deborah Jane Limb  
Mark Lynch  
Duncan Shores

### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. In the ordinary course of business the company is exposed to a variety of financial risks that include credit risk and liquidity risk.

#### **Credit risk**

The company's principal financial assets are cash and cash equivalents and trade receivables. The company has adopted a policy of only holding cash with creditworthy counterparties. Credit risk for the company is primarily attributed to trade receivables. The amount presented in the financial statements is net of bad debt provisions. The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers

#### **Liquidity risk**

The company has a strong cash generative history and has sufficient funds available for ongoing operations and future developments.

#### **Future developments**

The company plans to continue with its current activities.

#### **Research and development activities**

The ongoing development and enhancement of the company's software product is seen as key to our current and future success. During the year ended 30 April 2021 the company invested £2,296,638 (2020: £1,037,917) in research and development to enhance our technology and £246,198 (2020: £419,352) to develop our product offering. The company will continue to invest significantly in these areas to ensure our customers receive excellent products and services.

#### **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.

# Directors' Report (continued)

For the Year Ended 30 April 2021

## Impact of Covid-19

On the 11th of March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic, which is currently ongoing. Whilst it has not had a detrimental impact on the business, management are closely monitoring the evolution of this pandemic, including how it may affect the company, the economy and the general population. Any long term future financial impacts of these events cannot be determined by management at this time as the directors note that this is a dynamic situation with continuous uncertainties surrounding the duration of the pandemic and disruptions to operations. However, trading levels and working capital remains strong, and thus, management are confident that the company is well placed to withstand potential future challenges in this context.

## Post balance sheet events

The Group received investment from Marlin Equity Partners on 8th July 2021, making them the Controlling Party of the Group.

The Group acquired 100% of US based company True Office Learning on 17th December 2021. True Office creates programs and behavioural technology for organisations to improve the way employees undertake compliance learning.

## Auditor

The auditor, Grant Thornton (NI) LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20/1/2022 | 11:34 GMT and signed on its behalf.

*Paul McElvaney*

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**Paul McElvaney**

Director

# Independent Auditor's Report to the Members of Learning Pool Limited

## Opinion

We have audited the financial statements of Learning Pool Limited, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity for the financial year ended 30 April 2021, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Learning Pool Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the company as at 30 April 2021 and of its financial performance for the financial year then ended; 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 'Responsibilities of the auditor 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 United Kingdom, namely the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances of the entity. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities, and the responsibilities of the directors, with respect to going concern are described in the relevant sections of this report.

## Other information

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon, including the Directors' Report and the Strategic Report. The directors are

## Independent Auditor's Report to the Members of Learning Pool Limited (continued)

responsible for the other information. Our opinion on the financial statements does not cover the 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 in the financial statements, 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 and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the Directors' Report and the Strategic 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 we have obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the Strategic 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.

## Independent Auditor's Report to the Members of Learning Pool Limited (continued)

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 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, management is 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 management either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

# Independent Auditor's Report to the Members of Learning Pool Limited (continued)

## **Responsibilities of the auditor for the audit of the financial statements**

The objectives of an auditor 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 their 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 an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*  
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Data privacy laws, Employment Law, Environmental Regulations and Health and safety laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and applicable tax laws. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the company's regulatory and legal correspondence and review of minutes of the board of directors meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including

## Independent Auditor's Report to the Members of Learning Pool Limited (continued)

estimating useful lives of tangible fixed assets, allowance for the impairment of bad debt and impairment of intangible assets; and

- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

### **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.



Louise Kelly (Senior Statutory Auditor)

for and on behalf of

**Grant Thornton (NI) LLP**

Chartered Accountants  
Statutory Auditors

Belfast

Date: 20/01/2022

## Statement of Comprehensive Income

For the Year Ended 30 April 2021

	Note	2021 £	2020 £
Turnover	4	18,270,068	16,164,177
<b>Gross profit</b>		<b>18,270,068</b>	<b>16,164,177</b>
Administrative expenses		(15,753,375)	(13,165,479)
Other operating income	5	1,094,894	250,253
<b>Operating profit</b>	6	<b>3,611,587</b>	<b>3,248,951</b>
Interest receivable and similar income	9	-	308
Interest payable and similar expenses	10	(218,578)	(187,601)
<b>Profit before tax</b>		<b>3,393,009</b>	<b>3,061,658</b>
Tax on profit	11	125,099	(229,200)
<b>Profit for the financial year</b>		<b>3,518,108</b>	<b>2,832,458</b>

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 15 to 34 form part of these financial statements.

## Statement of Financial Position

As at 30 April 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	12,329,768	6,036,849
Tangible assets	13	341,181	391,177
Investments	14	1,590,771	7,231,710
		<u>14,261,720</u>	<u>13,659,736</u>
<b>Current assets</b>			
Debtors	15	12,251,576	5,269,955
Cash at bank and in hand	16	8,267,794	3,390,450
		<u>20,519,370</u>	<u>8,660,405</u>
Creditors: amounts falling due within one year	17	(16,770,950)	(12,397,721)
		<u>3,748,420</u>	<u>(3,737,316)</u>
<b>Net current assets/(liabilities)</b>			
		<u>18,010,140</u>	<u>9,922,420</u>
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	18	(8,979,816)	(3,932,500)
<b>Provisions for liabilities</b>			
Deferred tax	20	(384,133)	(408,279)
		<u>(384,133)</u>	<u>(408,279)</u>
<b>Net assets</b>		<u>8,646,191</u>	<u>5,581,641</u>
<b>Capital and reserves</b>			
Called up share capital	21	67	67
Share premium account	22	177,941	177,941
Capital redemption reserve	22	50	50
Other reserves	22	(479,705)	(26,147)
Profit and loss account	22	8,947,838	5,429,730
		<u>8,646,191</u>	<u>5,581,641</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20/01/2022

*Paul McElvaney*

Paul McElvaney  
Director

The notes on pages 15 to 34 form part of these financial statements.

Learning Pool Limited

Statement of Changes in Equity  
For the Year Ended 30 April 2021

	Called up share capital	Share premium account	Capital redemption reserve	Other reserve	Profit and loss account	Total equity
At 1 May 2020	£ 67	£ 177,941	£ 50	£ (26,147)	£ 5,429,730	£ 5,581,641
Profit for the year	-	-	-	-	3,518,108	3,518,108
Other reserve arising on business combination	-	-	-	(453,558)	-	(453,558)
<b>At 30 April 2021</b>	<b>67</b>	<b>177,941</b>	<b>50</b>	<b>(479,705)</b>	<b>8,947,838</b>	<b>8,646,191</b>

The notes on pages 15 to 34 form part of these financial statements.

Learning Pool Limited

Statement of Changes in Equity  
For the Year Ended 30 April 2020

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 May 2019	67	177,941	50	(69,697)	3,190,460	3,298,821
Profit for the year	-	-	-	-	2,832,458	2,832,458
Dividends paid in the year	-	-	-	-	(593,188)	(593,188)
Transfer between other reserves	-	-	-	43,550	-	43,550
<b>At 30 April 2020</b>	<b>67</b>	<b>177,941</b>	<b>50</b>	<b>(26,147)</b>	<b>5,429,730</b>	<b>5,581,641</b>

The notes on pages 15 to 34 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 1. General information

Learning Pool Limited is a private company limited by shares and incorporated in Northern Ireland. The registered office is Old City Factory, 100 Patrick Street, Londonderry, BT48 7EL.

The principal activities of the company comprise the provision of off the shelf e-learning content, hosted learning management systems and consulting services.

## 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 judgment in applying the company's accounting policies (see note 3).

### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ginnlear Holdings Limited as at 30 April 2021 and these financial statements may be obtained from 100 Patrick Street, Londonderry, Northern Ireland, BT48 7EL.

### 2.3 Going concern

The financial statements have been prepared on the going concern basis. The directors have prepared forecasts and reviewed capital requirements for the twelve months from the date of approving these financial statements, which indicate that the business can continue to trade for at least twelve months.

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 2. Accounting policies (continued)

### 2.4 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.

### 2.5 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.

### 2.6 Interest income

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

### 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 Borrowing costs

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

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 2. Accounting policies (continued)

### 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 profit or loss 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.

### 2.10 Current and deferred taxation

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

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

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

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

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

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 2. Accounting policies (continued)

### 2.11 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.

#### 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.

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.

The estimated useful lives range as follows:

Website	-	3	years
Content development	-	3	years
Goodwill	-	10	years
Research & development	-	3	years
Customer relationship management	-	3	years
Customer relationships	-	15	years

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 2. Accounting policies (continued)

### 2.12 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, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 15 - 33% straight line
Office equipment	- 33% straight line

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

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

### 2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

### 2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.15 Debtors

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

### 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.

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 2. Accounting policies (continued)

### 2.17 Creditors

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

### 2.18 Provisions for liabilities

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

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

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

### 2.19 Financial instruments

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 2. Accounting policies (continued)

### 2.19 Financial instruments (continued)

Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

In applying the company's accounting policies the directors are required to make significant judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The items in the financial statements where these judgments and estimates have been made include:

### Deferred revenue

Deferred revenue represents a significant portion of total liabilities. The company's revenue recognition policy depends on the income profile of particular services provided. In determining the revenue recognition policy the directors have considered the detailed criteria for the recognition of revenue from the rendering of services set out in FRS 102 Section 23 Revenue.

### Recoverability of debtors

Short term debtors are measured at transaction price, less any impairment. Estimates are made in respect to the recoverable value of trade and other debtors. When assessing the level of provisions required, factors including current trading experience, historical experience and the ageing profile of debtors are considered.

### Assessing indicators of impairment

At each reporting date intangible fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## 4. Turnover

An analysis of turnover between the geographical markets has not been disclosed as the directors consider it to be seriously prejudicial to the interests of the company to disclose such information.

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 5. Other operating income

	2021 £	2020 £
Other operating income	24,568	14,066
Fees receivable	1,070,326	236,187
	<u>1,094,894</u>	<u>250,253</u>

## 6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	171,900	147,545
Amortisation of intangible assets	2,531,917	1,499,320
Audit fee	12,250	12,250
Tax fee	3,500	3,500
Defined contribution pension cost	344,863	268,031
Profit on the sale of tangible assets	15,000	-
	<u>15,000</u>	<u>-</u>

## 7. Employees

Staff costs, including directors remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	8,606,655	6,155,598
Social security costs	773,709	577,858
Defined contribution pension costs	344,863	268,031
	<u>9,725,227</u>	<u>7,001,487</u>

The average number of employees, including the directors, during the year was 212 (2020: 167).

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 8. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	648,309	595,074
Company contributions to defined contribution pension schemes	24,548	25,479
	<u>672,857</u>	<u>620,553</u>

During the year retirement benefits were accruing to 4 directors (2020 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £161,338 (2020 - £136,658).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,038 (2020 - £7,026).

## 9. Interest receivable

	2021	2020
	£	£
Other interest receivable	-	308
	<u>-</u>	<u>308</u>

## 10. Interest payable and similar expenses

	2021	2020
	£	£
Bank interest payable	218,578	184,316
Loans from group undertakings	-	3,285
	<u>218,578</u>	<u>187,601</u>

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 11. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	202,834	302,202
Adjustments in respect of previous periods	(299,717)	(123,118)
<b>Total current tax</b>	<u>(96,883)</u>	<u>179,084</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(4,431)	23,355
Deferred tax in relation to intangible assets	(30,429)	11,211
Adjustment in respect of prior periods	6,644	15,550
<b>Total deferred tax</b>	<u>(28,216)</u>	<u>50,116</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(125,099)</u>	<u>229,200</u>

## Notes to the Financial Statements

For the Year Ended 30 April 2021

**11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>3,393,009</u>	<u>3,061,657</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	644,672	581,715
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,387	219
Fixed asset timing differences	386,793	218,164
Adjustments to tax charge in respect of prior periods	(300,213)	(107,568)
Adjustments to tax charge in respect of prior periods - deferred tax RDEC	6,644	-
R&D credits	(265,868)	-
	50,615	-
Non-taxable income	(436,361)	(225,878)
Deferred tax on business combination	(31,098)	(30,463)
Deferred tax at different rate	-	43,994
Group relief	(169,192)	(248,879)
Other differences leading to an increase (decrease) in the tax charge	(16,478)	(2,104)
<b>Total tax charge for the year</b>	<u>(125,099)</u>	<u>229,200</u>

## Notes to the Financial Statements

For the Year Ended 30 April 2021

## 12. Intangible assets

	Customer		Customer		Goodwill	Research &		Total
	Website development	development	relationships	relationships		development	development	
	£	£	£	£	£	£	£	£
<b>Cost</b>								
At 1 May 2020	92,746	2,025,946	79,605	2,402,300	2,755,421	4,179,486	11,535,504	
Additions	26,292	246,198	4,900	-	-	2,296,638	2,574,028	
On business combination	-	-	-	-	5,187,341	1,826,905	7,014,246	
At 30 April 2021	119,038	2,272,144	84,505	2,402,300	7,942,762	8,303,029	21,123,778	
<b>Amortisation</b>								
At 1 May 2020	51,059	1,395,780	24,170	480,459	697,942	2,849,245	5,498,655	
Charge for the year	21,929	750,252	28,164	160,153	275,542	1,295,877	2,531,917	
On business combination	-	-	-	-	-	763,437	763,437	
At 30 April 2021	72,988	2,146,032	52,334	640,612	973,484	4,908,559	8,794,009	
<b>Net book value</b>								
At 30 April 2021	46,050	126,112	32,171	1,761,688	6,969,278	3,394,470	12,329,769	
At 30 April 2020	41,687	630,166	55,435	1,921,841	2,057,479	1,330,241	6,036,849	

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 13. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 May 2020	-	417,618	220,440	638,058
Additions	-	1,371	110,088	111,459
On business combination	3,511	20,521	34,931	58,963
Disposals	-	-	(3,453)	(3,453)
At 30 April 2021	<u>3,511</u>	<u>439,510</u>	<u>362,006</u>	<u>805,027</u>
<b>Depreciation</b>				
At 1 May 2020	-	148,590	98,292	246,882
Charge for the year	702	86,186	85,012	171,900
On business combination	1,990	13,619	30,126	45,735
Disposals	-	-	(671)	(671)
At 30 April 2021	<u>2,692</u>	<u>248,395</u>	<u>212,759</u>	<u>463,846</u>
<b>Net book value</b>				
At 30 April 2021	<u>819</u>	<u>191,115</u>	<u>149,247</u>	<u>341,181</u>
At 30 April 2020	<u>-</u>	<u>269,028</u>	<u>122,148</u>	<u>391,176</u>

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 14. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 May 2020	7,231,710
Transferred to goodwill on business combination	(5,187,341)
Amounts written off	(453,597)
At 30 April 2021	<u>1,590,772</u>

At 1 May 2020 the company hived up the business of HT2 Limited, a subsidiary acquired on 5th June 2019. As part of this hive up the goodwill acquired at the time of acquisition was transferred from investments to goodwill in the current year.

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 14. Fixed asset investments (continued)

### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Mind Click Limited	12 Broadway, The Lace Market, Nottingham, NG1 1PS	Dormant	Ordinary	100%
HT2 Limited	Units 2a & 2b The Carpenter's Workshop Blenheim Palace, Sawmills, Swan Lane, Combe, Oxfordshire, England	Dormant	Ordinary	100%
Learning Pool Inc *	501 Silverside Road, STE 82, Wilmington, County of New Castle, Delaware	Business and domestic software development	Ordinary	100%
RL Tech Inc*	2909 JAKES MEADOW BURLESON TX 76028	Business and domestic software development	Ordinary	100%
Remote-Learner.net Inc*	1550 Larimer Street, Suite 785. Denver, CO 80202 USA	Business and domestic software development	Ordinary	100%
Remote-Learner US Inc*	1550 Larimer Street, Suite 785. Denver, CO 80202 USA	Business and domestic software development	Ordinary	100%
Remote-Learner Canada Inc*	180 Northfield Drive West, Suite 4 Waterloo, ON N2L 0C7	Business and domestic software development	Ordinary	100%

\* Held indirectly

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 15. Debtors

	2021 £	2020 £
Trade debtors	2,679,811	2,888,007
Amounts owed by group undertakings	8,159,141	1,190,706
Other debtors	48,107	21,397
Prepayments and accrued income	1,023,318	1,146,439
Tax recoverable	341,199	23,406
	<u>12,251,576</u>	<u>5,269,955</u>

An impairment loss of £4,296 (2020 : £126,743) was recognised against trade debtors.

## 16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	8,267,795	3,390,450
	<u>8,267,795</u>	<u>3,390,450</u>

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 17. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank loans	2,698,033	1,210,000
Trade creditors	475,153	666,078
Amounts owed to group undertakings	1,590,682	-
Other taxation and social security	1,132,561	1,257,331
Other creditors	84,325	133,787
Accruals and deferred income	10,790,196	9,130,525
	<u>16,770,950</u>	<u>12,397,721</u>

Included within bank loans is an amount of £11,677,850 with £2,698,033 due within one year and £8,979,816 due after one year. Repayments of £972,187 were made during the period and an additional £7,418,847 was drawn down in the period. The bank loan is to be repaid over 5 years period ending in 2024. The loan is secured by the following:

- Cross company guarantee with the Ginnlear Holdings Limited, Ginnlear Acquisitions Limited, Mind Click Limited and HT2 Limited;
- Debenture over each of the company, Ginnlear Holdings Limited, Mind Click Limited and HT2 Limited;
- Charge over the 1 share in the company of £1 granted by the ultimate parent, Ginnlear Holdings Limited
- Charge over the 6,281 A Ordinary shares in Learning Pool Limited granted by Ginnlear Acquisition Limited;
- Charge over the 25 A Ordinary shares, 25 B Ordinary Shares, 25 C Ordinary Shares and 25 D Ordinary Shares in Mind Click Limited granted by Learning Pool Limited.
- Deed of subordination in relation to shareholder loan notes and preference shares granted by the Directors, Ginnlear Holdings Limited, Ginnlear Acquisition Limited and CCIF Holding Sarl.

## 18. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	8,979,816	3,932,500
	<u>8,979,816</u>	<u>3,932,500</u>

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 19. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
<b>Amounts falling due within one year</b>		
Bank loans	2,698,033	1,210,000
<b>Amounts falling due 1-2 years</b>		
Bank loans	2,698,033	1,210,000
<b>Amounts falling due 2-5 years</b>		
Bank loans	6,281,784	2,722,500
	<u>11,677,850</u>	<u>5,142,500</u>

## 20. Deferred taxation

	2021 £	2020 £
At beginning of year	(408,279)	(372,101)
Charged to profit or loss	24,146	(36,178)
<b>At end of year</b>	<u>(384,133)</u>	<u>(408,279)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(50,060)	(43,205)
Short term timing differences	648	76
Arising on intangible assets on business combination	(334,721)	(365,150)
	<u>(384,133)</u>	<u>(408,279)</u>

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 21. Share capital

	2021	2020
	£	£
<b>Allotted, called up and fully paid</b>		
6,281 (2020 - 6,281) Ordinary A shares of £0.01 each	63	63
425 (2020 - 425) Ordinary C shares of £0.01 each	4	4
	<u>67</u>	<u>67</u>
	<u><u>67</u></u>	<u><u>67</u></u>

## 22. Reserves

### Share premium account

Includes any premiums received on issue of share capital.

### Capital redemption reserve

Includes share capital purchased by the company.

### Other reserves

Includes undistributable reserves resulting from business combinations.

### Profit and loss account

Includes all current and prior period retained profits and losses.

## 23. Pension commitments

The group 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 £344,863 (2020 - £268,031). Contributions totalling £3,409 (2020 - £400) were payable to the fund at the balance sheet date and are included in creditors.

## 24. Commitments under operating leases

At 30 April 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than 1 year	249,193	158,213
Later than 1 year and not later than 5 years	528,134	408,128
Later than 5 years	415,417	43,167
	<u>1,192,744</u>	<u>609,508</u>
	<u><u>1,192,744</u></u>	<u><u>609,508</u></u>

# Notes to the Financial Statements

For the Year Ended 30 April 2021

## 25. Related party transactions

The company has taken advantage of the exemption given in FRS 102 section 33. This exemption permits non-disclosure of related party transactions of a wholly owned subsidiary company within the group.

Key management personnel are considered to be the directors. Total remuneration in respect of these individuals is disclosed at note 8.

## 26. Immediate parent undertaking and ultimate controlling part

Ginnlear Acquisition Limited, is the Company's immediate parent undertaking, which is incorporated in the United Kingdom. Ginnlear Acquisition Limited is 100% owned by Ginnlear Holdings Limited.

At the year end, CCIF Leap S.à r.l is the majority shareholder in Ginnlear Holdings Limited. CCIF Leap S.à r.l is 100% held by CCIF Holding S.à r.l, which itself is wholly held by Carlyle Cardinal Ireland Fund (the "Fund"). Through its control affiliated, including its respective general partners, the Fund is advised by both CIM Global L.L.C. and Cardinal Capital Partners Limited and sub-advised by Carlyle Investment Management L.L.C. The Fund, by and through its control affiliates including their respective general partners, is ultimately controlled (directly or indirectly) by the Carlyle group L.P., a public entity listed on Nasdaq (ticker symbol: CG).

The smallest company in which the results of the company are consolidated in Ginnlear Holdings Limited and the largest is The Carlyle Group LP. Copies of these consolidated financial statements can be obtained from:

Ginnlear Holdings Limited – Company Secretary, c/o 100 Patrick Street, Londonderry, Northern Ireland, BT48 7EL

The Carlyle Group LP – Company Secretary, c/o 1001 Pennsylvania Avenue, NW Washington, DC 20004-2505, United States.

Since the balance sheet date Ginnlear Holdings Limited has received investment from Marlin Equity Partners, making them the Controlling Party of the Group as of 8th July 2021. As of this date, Ginnlear Holdings Limited is 100% owed by Brook Topco Limited, a private company incorporated in England.

Marlin-Stark Aggregator, L.P. is the majority shareholder in Brook Topco Limited. Marlin-Stark Aggregator is controlled by its general partner, Marlin Ultimate GP (Cayman), LLC.