Registered number: 03564242

THE ONLINE BOOK COMPANY LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018

THE ONLINE BOOK COMPANY LIMITED
REGISTERED NUMBER:03564242

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note		2018 £		2017 £
FIXED ASSETS					
Intangible fixed assets			**105,569**		90,530
Tangible fixed assets			**5,293**		6,794
Investments	6		**92**		92
			110,954		97,416
CURRENT ASSETS					
Debtors	7	**282,158**		221,027	
Bank and cash balances		**61**		40	
		282,219		221,067	
Creditors: amounts falling due within one year	8	**(326,631)**		(141,605)	
NET CURRENT (LIABILITIES)/ASSETS			**(44,412)**		79,462
TOTAL ASSETS LESS CURRENT LIABILITIES			**66,542**		176,878
Creditors: amounts falling due after more than one year	9		**(6,735)**		(24,138)
PROVISIONS FOR LIABILITIES					
Other provisions		**(23,814)**		(12,502)	
			(23,814)		(12,502)
NET ASSETS			**35,993**		140,238

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
CAPITAL AND RESERVES			
Called up share capital	11	**121**	121
Share premium account		**159,981**	159,981
Profit and loss account		**(124,109)**	(19,864)
		35,993	140,238

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

Mr J A Haward
Director

Date: 19 September 2019

The notes on pages 3 to 11 form part of these financial statements.

1. GENERAL INFORMATION

The Online Book Company Limited is a private company, limited by shares, registered in England and Wales. The registration number is 03564242. The registered office address is: Chy Nyverow, Newham Road, Truro, Cornwall, TR1 2DP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The financial statements use British Pounds Sterling as the presentation curency, and are rounded to

the nearest £1 throughout.

The following principal accounting policies have been applied:

2.2 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

2. ACCOUNTING POLICIES (continued)

2.3 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of income and retained earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.5 FINANCE COSTS

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

2. ACCOUNTING POLICIES (continued)

2.6 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

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

The contributions are recognised as an expense in the Statement of income and retained earnings 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.

2.7 CURRENT AND DEFERRED TAXATION

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

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

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

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

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

2.8 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.

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.

Amortisation is provided on the following bases:

Development expenditure	-	25 % reducing balance

2. ACCOUNTING POLICIES (continued)

2.9 TANGIBLE FIXED ASSETS

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25%	reducing balance
Office equipment	-	25%	reducing balance
Computer equipment	-	25%	reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.10 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 DEBTORS

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

2.12 CASH AND CASH EQUIVALENTS

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

2.13 CREDITORS

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

2. ACCOUNTING POLICIES (continued)

2.14 FINANCIAL INSTRUMENTS

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

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

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

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.

2.15 GOING CONCERN

The financial statements are prepared on a going concern basis. This may not be appropriate as at the year end its current liabilities exceeded its current assets by £44,412. However, of creditors due within one year of £326,631, £177,435 was owed to the majority shareholder and director who has indicated his ongoing support for the company.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 5 (2017: 6).

4. INTANGIBLE ASSETS

	Develop-ment £
COST	
At 1 January 2018	**235,487**
Additions	**50,229**
At 31 December 2018	**285,716**
AMORTISATION	
At 1 January 2018	**144,957**
Charge for the year	**35,190**
At 31 December 2018	**180,147**
NET BOOK VALUE	
At 31 December 2018	**105,569**
At 31 December 2017	90,530

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Office equipment	Computer equipment	Total
	£	£	£	£
COST OR VALUATION				
At 1 January 2018	6,195	19,319	6,083	31,597
Additions	-	263	-	263
Disposals	-	-	(6,083)	(6,083)
At 31 December 2018	6,195	19,582	-	25,777
DEPRECIATION				
At 1 January 2018	4,318	14,402	6,083	24,803
Charge for the year on owned assets	469	1,296	-	1,765
Disposals	-	-	(6,083)	(6,083)
At 31 December 2018	4,787	15,698	-	20,485
NET BOOK VALUE				
At 31 December 2018	1,408	3,884	-	5,292
At 31 December 2017	1,877	4,917	-	6,794

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies
	£
COST OR VALUATION	
At 1 January 2018	92
At 31 December 2018	92

7. DEBTORS

	2018	2017
	£	£
DUE AFTER MORE THAN ONE YEAR		
Deferred tax asset	**196,206**	175,775
	196,206	175,775
DUE WITHIN ONE YEAR		
Trade debtors	**6,055**	594
Amounts owed by group undertakings	**10,655**	9,433
Other debtors	**42,242**	-
Called up share capital not paid	**27,000**	35,000
Prepayments and accrued income	**-**	225
	282,158	221,027

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank overdrafts	**8,687**	7,781
Bank loans	**16,376**	15,321
Other loans	**18,256**	6,034
Trade creditors	**13,000**	18,189
Other taxation and social security	**4,451**	4,920
Other creditors	**228,749**	61,353
Accruals and deferred income	**37,112**	28,007
	326,631	141,605

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Bank loans	**6,735**	24,138
	6,735	24,138

10. DEFERRED TAXATION

	2018
	£
At beginning of year	**175,775**
Utilised in year	**20,431**
AT END OF YEAR	**196,206**

The deferred tax asset is made up as follows:

	2018	2017
	£	£
Accelerated capital allowances	**(900)**	(1,155)
Tax losses carried forward	**197,106**	176,930
	196,206	175,775

11. SHARE CAPITAL

	2018	2017
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
161,489 (2017: 151,775) A Ordinary shares of £0.0001 each	**16**	15
1,020,000 (2017: 1,020,000) B Ordinary shares of £0.0001 each	**102**	102
	118	117

	2018	2017
ALLOTTED, CALLED UP AND PARTLY PAID		
32,783 (2017: 42,497) A Ordinary shares of £0.0001 each	**3**	4

12. 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. Contributions totalling £63 (2017: £57) were payable to the fund at the reporting date and are included in creditors.

13. TRANSACTIONS WITH DIRECTORS

At the year end, the company owed Mr J A Haward £177,435 (2017: Mr J A Haward owed the company £14,949). The account is interest free. Mr J A Haward is a director of the company.

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