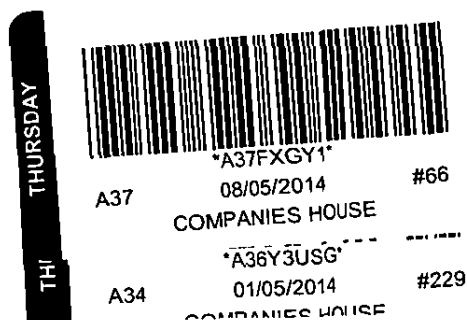


Company registration number 04600521

CASPIAN LEARNING LIMITED
ABBREVIATED ACCOUNTS
31 DECEMBER 2013



**INDEPENDENT AUDITOR'S REPORT TO CASPIAN LEARNING
LIMITED**

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of Caspian Learning Limited for the year ended 31 December 2013 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

David Gold BA FCA, Senior Statutory Auditor
For and on behalf of
JOSEPH MILLER & CO
Chartered Accountants & Statutory Auditor
Newcastle upon Tyne

24 April 2014

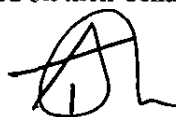
CASPIAN LEARNING LIMITED
ABBREVIATED BALANCE SHEET
31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
Fixed assets	2				
Tangible assets			6,793		12,496
Investments			<u>1</u>		<u>1</u>
			6,794		12,497
Current assets					
Debtors		78,795		124,114	
Cash at bank and in hand		<u>122,565</u>		<u>27,308</u>	
		201,360		151,422	
Creditors: Amounts falling due within one year	3	<u>(117,251)</u>		<u>(126,098)</u>	
Net current assets			84,109		25,324
Total assets less current liabilities			<u>90,903</u>		<u>37,821</u>
Creditors: Amounts falling due after more than one year	4		<u>(58,892)</u>		<u>(85,921)</u>
			<u>32,011</u>		<u>(48,100)</u>
Capital and reserves					
Called-up share capital	5		308,613		308,613
Share premium account			3,061,162		3,061,162
Profit and loss account			<u>(3,337,764)</u>		<u>(3,417,875)</u>
Shareholders' funds/(deficit)			<u>32,011</u>		<u>(48,100)</u>

These abbreviated accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime

These abbreviated accounts were approved by the directors and authorised for issue on 24 April 2014, and are signed on their behalf by

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Company Registration Number 04600521

The notes on pages 3 to 5 form part of these abbreviated accounts.

CASPIAN LEARNING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The directors have reviewed forecasts of turnover from ongoing contracts and contracts expected to be awarded after the year end, together with continued financial support from the bank and further investment funding

They have concluded that the company has adequate resources to continue in operational existence for the foreseeable future and have therefore adopted the going concern basis in preparing the financial statements

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts

Turnover

The turnover shown in the profit and loss account represents the value of work done during the year, exclusive of Value Added Tax

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

The company generates revenues from sales of bespoke software, customer training and licensing the rights to use its software products

Revenues from software licence agreements are recognised when there is an agreement with a customer, delivery of the software has taken place and there are no significant post-delivery obligations

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings	- 33 1/3% straight line
Office Equipment	- 33 1/3% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

CASPIAN LEARNING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2013

1. Accounting policies *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

2. Fixed assets

	Tangible Assets £	Investments £	Total £
Cost			
At 1 January 2013	97,049	1	97,050
Additions	1,386	–	1,386
Disposals	(3,136)	–	(3,136)
At 31 December 2013	<u>95,299</u>	<u>1</u>	<u>95,300</u>
Depreciation			
At 1 January 2013	84,553	–	84,553
Charge for year	6,705	–	6,705
On disposals	(2,752)	–	(2,752)
At 31 December 2013	<u>88,506</u>	<u>–</u>	<u>88,506</u>
Net book value			
At 31 December 2013	<u>6,793</u>	<u>1</u>	<u>6,794</u>
At 31 December 2012	<u>12,496</u>	<u>1</u>	<u>12,497</u>

The company owns 100% of the shares of Caspian Learning Incorporated which is incorporated in the state of Nevada, USA.

Under the provision of section 398 of the Companies Act 2006 the parent company is exempt from preparing consolidated accounts and has not done so. Therefore the accounts show information about the Company as an individual entity.

CASPIAN LEARNING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2013

3. Creditors: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2013	2012
	£	£
Bank loans	<u>27,029</u>	<u>27,826</u>

The bank loans are Small Firms Loan Guarantee Scheme loans

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

The following liabilities disclosed under creditors falling due after more than one year are secured by the company.

	2013	2012
	£	£
Bank loans	<u>31,956</u>	<u>58,985</u>

The bank loans are Small Firms Loan Guarantee Scheme loans. There are two loans, one for £150,000 and the other for £100,000. Both loans are repayable in less than 5 years.

5. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £0.01 each	393,970	3,940	393,970	3,940
Ordinary 'A' shares of £0.0001 each	123,999	12	123,999	12
Ordinary 'B' shares of £0.01 each	479,650	4,797	479,650	4,797
Deferred shares of £0.01 each	29,986,430	299,864	29,986,430	299,864
	<u>30,984,049</u>	<u>308,613</u>	<u>30,984,049</u>	<u>308,613</u>