

COMPANY REGISTRATION NUMBER: 04600521

CASPIAN LEARNING LIMITED
FILLETED FINANCIAL STATEMENTS
31 DECEMBER 2020



JOSEPH MILLER
Chartered Accountants
Newcastle upon Tyne

CASPIAN LEARNING LIMITED
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	26,964	30,078
Investments	6	<u>1</u>	<u>1</u>
		26,965	30,079
Current assets			
Debtors	7	1,441,860	464,344
Cash at bank and in hand		<u>3,108,424</u>	<u>512,606</u>
		4,550,284	976,950
Creditors: amounts falling due within one year	8	<u>(402,166)</u>	<u>(196,091)</u>
Net current assets		4,148,118	780,859
Total assets less current liabilities		4,175,083	810,938
Creditors: amounts falling due after more than one year	9	<u>(5,306,174)</u>	<u>(8,920)</u>
Net (liabilities)/assets		<u>(1,131,091)</u>	<u>802,018</u>
Capital and reserves			
Called up share capital		322,042	316,946
Share premium account		4,379,513	3,956,066
Profit and loss account		<u>(5,832,646)</u>	<u>(3,470,994)</u>
Members funds		<u>(1,131,091)</u>	<u>802,018</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

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 were approved by the board of directors and authorised for issue on 5 May 2021, and are signed on behalf of the board by:



T Ali
Director

Company registration number: 04600521

The notes on pages 2 to 6 form part of these financial statements.

CASPIAN LEARNING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Joseph Miller, Floor A, Milburn House, Dean Street, Newcastle upon Tyne, NE1 1LE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have performed an assessment of the company's ability to continue as a going concern for the period up to 30 June 2022 based on its current cash resources together with further revenue earned.

In the directors' opinion, the company has adequate resources to continue in operational existence for the foreseeable future and they have therefore adopted the going concern basis in preparing the financial statements.

Research and development policy

Research expenditure is written off in the period in which it is incurred.

Consolidation

The entity has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the entity and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, consumer demands and the experience of recoverability.

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3. Accounting policies *(continued)*

Revenue recognition

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

Revenues from software licence agreements are recognised when there is an agreement with a customer and delivery of the software has taken place. If significant post-delivery obligations exist, such as new versions and upgrades, then revenues are deferred until the obligations are met on a pro-rata basis over the period of the contract.

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. Revenues are recognised throughout the contract linked to progress.

Revenues from maintenance services are recognised over the term of the maintenance period.

Taxation

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

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

Foreign currency transactions are initially recorded in the functional currency, by applying the monthly average exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

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3. Accounting policies (continued)

Depreciation

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

Fixtures and fittings	-	33 1/3% straight line
Office equipment	-	33 1/3% straight line

Financial instruments

The company has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are measured initially at transaction price and subsequently measured at amortised cost.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting its liabilities.

Trade and other debtors are recognised at transaction price less any impairment losses for bad and doubtful debts.

Trade and other creditors are measured at transaction price.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 34 (2019: 38).

5. Tangible assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 January 2020	13,376	201,398	214,774
Additions	–	18,101	18,101
Disposals	–	(40,684)	(40,684)
At 31 December 2020	<u>13,376</u>	<u>178,815</u>	<u>192,191</u>
Depreciation			
At 1 January 2020	11,599	172,805	184,404
Charge for the year	640	20,762	21,402
Disposals	–	(40,579)	(40,579)
At 31 December 2020	<u>12,239</u>	<u>152,988</u>	<u>165,227</u>
Carrying amount			
At 31 December 2020	<u>1,137</u>	<u>25,827</u>	<u>26,964</u>
At 31 December 2019	<u>1,777</u>	<u>28,593</u>	<u>30,370</u>

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6. Investments

	Shares in group undertakings £
Cost	
At 1 January 2020 and 31 December 2020	1
Impairment	
At 1 January 2020 and 31 December 2020	—
Carrying amount	
At 31 December 2020	1
At 31 December 2019	1

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.

7. Debtors

	2020 £	2019 £
Other debtors	1,441,860	464,344

8. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	52,889	13,768
Social security and other taxes	64,574	59,736
Other creditors	284,703	122,587
	<u>402,166</u>	<u>196,091</u>

9. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors	5,306,174	8,920

Other creditors comprise of Series E preference shares which are classed as financial liabilities. During the year 556,083 Series E Preference Shares of £0.01 each were issued for £5,155,739. The shares are entitled to a cumulative dividend which accrues at a rate of 5% per annum. The shares are redeemable after 10 years at the holders discretion and are convertible upon a qualifying IPO event.

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10. Reserves

The share premium account reserve records the amount above the nominal value received for shares sold, less transaction costs. The profit and loss account reserve records retained earnings and accumulated losses.

11. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	<u>6,169</u>	<u>9,382</u>

12. Events after the end of the reporting period

The impact of the COVID-19 pandemic constitutes a non-adjusting post balance sheet event. At this stage, the directors do not consider that it will have a significant effect on the business activities of the company.

13. Summary audit opinion

The auditor's report for the year dated 6 May 2021 was unqualified.

The senior statutory auditor was David Gold BA FCA, for and on behalf of Joseph Miller.