
SAM LABS LTD

**UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



SAM LABS LTD
REGISTERED NUMBER: 09007359

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	5	18,142	33,734
Tangible assets	6	31,530	63,487
Investments	7	30,052	10,052
		<u>79,724</u>	<u>107,273</u>
Current assets			
Stocks	8	760,955	225,938
Debtors	9	1,337,416	3,147,277
Cash at bank and in hand	10	3,549,657	415,063
		<u>5,648,028</u>	<u>3,788,278</u>
Creditors: amounts falling due within one year	11	(329,787)	(2,532,261)
Net current assets		<u>5,318,241</u>	<u>1,256,017</u>
Total assets less current liabilities		<u>5,397,965</u>	<u>1,363,290</u>
Net assets		<u>5,397,965</u>	<u>1,363,290</u>
Capital and reserves			
Called up share capital	13	50,678	23,450
Share premium account		15,476,727	8,536,333
Profit and loss account		(10,129,440)	(7,196,493)
		<u>5,397,965</u>	<u>1,363,290</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

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 the 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 comprehensive income 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:

.....
Joachim Edouard Horn
Director

Date: 14 September 2020

The notes on pages 3 to 14 form part of these financial statements.

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

1. General information

The principal activity of the company in the year under review was that of an educational resources provider.

The Company is limited by shares and is incorporated in England and Wales.

The registered office address is Heydon Lodge, Flint Cross, Newmarket Road, Heydon, Royston, Herts, SG8 7PN.

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 (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

Whilst the company made a loss for the year, the company still has £6.9m of net assets and the support of its investors.

On this basis the directors are confident the company has sufficient resources to continue to trade for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.4 Revenue

Revenue is generated by sales of educational coding kits and lesson plans. Revenue is recognised when the kits are shipped either from the manufacturing facilities or warehouses.

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

2. Accounting policies (continued)

2.5 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:

Website development	-	20 % - 30% Straight Line Basis
Software implementation	-	33 % Straight Line Basis

2.6 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:

Long-term leasehold property	-	33% Straight Line Basis
Plant and machinery	-	33% Straight Line Basis
Office equipment	-	33% Straight Line Basis
Computer equipment	-	33% Straight Line Basis

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 Comprehensive Income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from related parties.

(i) Financial assets

Basic financial assets, including trade and other debtors, and amounts due from related companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Income and Retained Earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.13 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income 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.

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

2. Accounting policies (continued)

2.14 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.15 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.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

(i) Intangible Assets

Management make judgment and estimates as to the stage of completion, longevity, and ability to generate future value of capitalised software, which in turn affects the valuation of Intangible Assets at the year end date. See note 6 for the carrying amount of Intangible Assets, and note 2.5 for the useful economic lives for each class of assets.

(ii) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of the property plant and equipment, and note 2.6 for the useful economic lives for each class of assets.

(iii) Stock

Management make an estimate regarding the net realisable value of this stock and as such recognise a stock provision in the accounts in respect of the difference between net realisable value and cost. See note 9 for the carrying value of stock.

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

4. Employees

The average monthly number of employees, including directors, during the year was 26 (2018 - 22).

5. Intangible assets

	Website £	Computer software £	Total £
Cost			
At 1 January 2019	22,763	43,436	66,199
At 31 December 2019	22,763	43,436	66,199
Amortisation			
At 1 January 2019	19,421	13,044	32,465
Charge for the year on owned assets	1,114	14,478	15,592
At 31 December 2019	20,535	27,522	48,057
Net book value			
At 31 December 2019	2,228	15,914	18,142
At 31 December 2018	3,342	30,392	33,734

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

6. Tangible fixed assets

	Leasehold Improvements £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2019	14,321	90,914	8,976	62,116	176,327
Additions	-	-	-	8,969	8,969
At 31 December 2019	14,321	90,914	8,976	71,085	185,296
Depreciation					
At 1 January 2019	14,321	47,930	7,620	42,969	112,840
Charge for the year on owned assets	-	26,636	1,135	13,155	40,926
At 31 December 2019	14,321	74,566	8,755	56,124	153,766
Net book value					
At 31 December 2019	-	16,348	221	14,961	31,530
At 31 December 2018	-	42,984	1,356	19,147	63,487

SAM LABS LTD

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

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	10,052
Additions	20,000
	<hr/>
At 31 December 2019	30,052
Net book value	
At 31 December 2019	<hr/> <hr/> 30,052
At 31 December 2018	<hr/> <hr/> 10,052

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Sam Labs Inc	US	Educational resources provider	Ordinary	100 %
SAM Labs Shanghai Ltd	China	Educational resources provider	Ordinary	100 %
Samlabs PTE Ltd	Singapore	Educational resources provider	Ordinary	100 %
SAM Labs Limited	Hong Kong	Educational resources provider	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Sam Labs Inc	(737,242)	(688,420)
SAM Labs Shanghai Ltd	(60,959)	(64,588)
Samlabs PTE Ltd	(216,900)	(117,362)
SAM Labs Limited	-	-

SAM LABS LTD

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

8. Stocks

	2019 £	2018 £
Finished goods and goods for resale	760,955	225,938
	<u>760,955</u>	<u>225,938</u>

9. Debtors

	2019 £	2018 £
Trade debtors	119,872	863,328
Amounts owed by group undertakings	1,071,812	325,409
Other debtors	137,059	1,955,109
Called up share capital not paid	749	-
Prepayments and accrued income	7,924	3,431
	<u>1,337,416</u>	<u>3,147,277</u>

10. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	3,549,657	415,063
	<u>3,549,657</u>	<u>415,063</u>

SAM LABS LTD

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

11. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Other loans	-	2,000,000
Trade creditors	174,739	295,559
Amounts owed to group undertakings	-	68,593
Other taxation and social security	93,113	86,999
Other creditors	40,281	40,282
Accruals and deferred income	21,654	40,828
	<u>329,787</u>	<u>2,532,261</u>

12. Loans

	2019	2018
	£	£
Amounts falling due within one year		
Convertible loan	-	2,000,000
	<u>-</u>	<u>2,000,000</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>2,000,000</u>

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

13. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,118,007 Ordinary shares of £0.01 each	11,180	9,591
840,571 'A' Ordinary shares of £0.01 each	8,406	7,333
42,311 'B' Ordinary shares of £0.01 each	423	423
795,102 'C' Ordinary shares of £0.01 each	7,951	6,103
2,271,814 (2018 -) 'D' Ordinary shares of £0.01 each	22,718	-
	<u>50,678</u>	<u>23,450</u>

During the year a further 2,722,714 shares of £0.01 each in various classes, were issued resulting in an increase in share premium of £6,976,167.

14. Share based payments

The company offers share options to its employees via an Enterprise Management Incentive scheme ("EMI") granting options over the Ordinary shares of the company. The options have an exercise price of £0.52 per share and have vesting dates from 2015 onwards. The company also offers a non-EMI option with vesting dates from 2017 onwards.

During the year, 61,550 share options were granted to employees. The share based payment charge arising from these options is not material and therefore no provision has been made in the accounts.

	Weighted average exercise price (pence) 2019	Number 2019	Weighted average exercise price (pence) 2018	Number 2018
Outstanding at the beginning of the year	52	373,929	52	296,281
Granted during the year	52	61,550	52	127,565
Expired during the year	52	(90,999)	52	(49,917)
Outstanding at the end of the year	<u>52</u>	<u>344,480</u>	<u>52</u>	<u>373,929</u>

	2019 £	2018 £
Equity-settled schemes	1	1
	<u>1</u>	<u>1</u>

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

15. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £7,088 (2018 - £3,683) were payable to the fund at the reporting date and are included in creditors.

16. Related party transactions

The company is taking advantage of the FRS 102 Section 1A paragraph 1AC.35 exemption from disclosing transactions between wholly owned group companies.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.