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**SAM LABS LTD**

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**UNAUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**



**SAM LABS LTD**  
**REGISTERED NUMBER: 09007359**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

|   | Note | 2021<br>£               | 2020<br>£               |
|---|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                                     |      |                         |                         |
| Intangible assets                                       | 5    | -                       | 2,549                   |
| Tangible assets   | 6    | 7,602                   | 11,774                  |
| Fixed asset investments                                 |      | 35,043                  | 35,052                  |
|   |      | <u>42,645</u>           | <u>49,375</u>           |
| <b>Current assets</b>                                   |      |                         |                         |
| Stocks  |      | 607,407                 | 569,620                 |
| Debtors   | 8    | 2,110,178               | 1,656,881               |
| Cash at bank and in hand                                |      | 819,232                 | 2,214,255               |
|   |      | <u>3,536,817</u>        | <u>4,440,756</u>        |
| Creditors: amounts falling due within one year          | 9    | (137,422)               | (245,937)               |
| <b>Net current assets</b>                               |      | <u>3,399,395</u>        | <u>4,194,819</u>        |
| <b>Total assets less current liabilities</b>            |      | <u>3,442,040</u>        | <u>4,244,194</u>        |
| Creditors: amounts falling due after more than one year | 10   | (38,885)                | (46,858)                |
| <b>Net assets</b>                                       |      | <u><u>3,403,155</u></u> | <u><u>4,197,336</u></u> |
| <b>Capital and reserves</b>                             |      |                         |                         |
| Called up share capital                                 |      | 50,678                  | 50,678                  |
| Share premium account                                   |      | 15,476,727              | 15,476,727              |
| Profit and loss account                                 |      | (12,124,250)            | (11,330,069)            |
|   |      | <u><u>3,403,155</u></u> | <u><u>4,197,336</u></u> |

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

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**SAM LABS LTD**  
**REGISTERED NUMBER: 09007359**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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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: 6 September 2022

The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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 Stonecross, Trumpington High Street, Cambridge, CB2 9SU.

**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 is still loss making the directors have a reasonable expectation that the company has adequate resources to continue in operating for the next 12 months and has a clear path to profitability.

The Directors therefore continue to adopt the going concern basis in preparing the accounts.

The company is expecting to close a fundraising round in H1 2022 and has the full support of its shareholders

**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 2021

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**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 % | 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:

|                     |   |     |                     |
|---------------------|---|-----|---------------------|
| 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 profit or loss.

**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 2021**

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**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.

**2.10 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 profit or loss 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 Comprehensive Income in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.11 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 profit or loss 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 profit or loss within 'other operating income'.

**2.12 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.

**2.13 Interest income**

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

**2.14 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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.

**4. Employees**

The average monthly number of employees, including directors, during the year was 7 (2020 - 10).



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Intangible assets

|                                     | Website<br>£ | Computer<br>software<br>£ | Total<br>£ |
|-------------------------------------|--------------|---------------------------|------------|
| <b>Cost</b>                         |              |                           |            |
| At 1 January 2021                   | 22,763       | 43,436                    | 66,199     |
| At 31 December 2021                 | 22,763       | 43,436                    | 66,199     |
| <b>Amortisation</b>                 |              |                           |            |
| At 1 January 2021                   | 21,649       | 42,001                    | 63,650     |
| Charge for the year on owned assets | 1,114        | 1,435                     | 2,549      |
| At 31 December 2021                 | 22,763       | 43,436                    | 66,199     |
| <b>Net book value</b>               |              |                           |            |
| At 31 December 2021                 | -            | -                         | -          |
| <b>At 31 December 2020</b>          | 1,114        | 1,435                     | 2,549      |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Tangible fixed assets

|  | Leasehold<br>Improvements<br>£ | Plant and<br>machinery<br>£ | Office<br>equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|--|--------------------------------|-----------------------------|--------------------------|----------------------------|------------|
| <b>Cost or valuation</b>               |                                |                             |                          |                            |            |
| At 1 January 2021                      | 14,321                         | 90,914                      | 8,976                    | 76,973                     | 191,184    |
| Additions                              | -                              | -                           | -                        | 4,675                      | 4,675      |
| At 31 December 2021                    | 14,321                         | 90,914                      | 8,976                    | 81,648                     | 195,859    |
| <b>Depreciation</b>                    |                                |                             |                          |                            |            |
| At 1 January 2021                      | 14,321                         | 89,638                      | 8,976                    | 66,475                     | 179,410    |
| Charge for the year on owned<br>assets | -                              | 1,276                       | -                        | 7,571                      | 8,847      |
| At 31 December 2021                    | 14,321                         | 90,914                      | 8,976                    | 74,046                     | 188,257    |
| <b>Net book value</b>                  |                                |                             |                          |                            |            |
| At 31 December 2021                    | -                              | -                           | -                        | 7,602                      | 7,602      |
| <b>At 31 December 2020</b>             | -                              | 1,276                       | -                        | 10,498                     | 11,774     |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Fixed asset investments

|                            | Investments in<br>subsidiary<br>companies<br>£ |
|----------------------------|--|
| <b>Cost or valuation</b>   |  |
| At 1 January 2021          | 35,051   |
| At 31 December 2021        | 35,051   |
| <b>Net book value</b>      |  |
| At 31 December 2021        | 35,051   |
| <i>At 31 December 2020</i> | <i>35,051</i>                                  |

8. Debtors

|                                    | 2021<br>£        | 2020<br>£        |
|------------------------------------|------------------|------------------|
| Trade debtors                      | 120,021          | 26,393           |
| Amounts owed by group undertakings | 1,963,752        | 1,579,185        |
| Other debtors                      | 9,934            | 36,260           |
| Called up share capital not paid   | 749              | 749              |
| Prepayments and accrued income     | 15,722           | 14,294           |
|                                    | <u>2,110,178</u> | <u>1,656,881</u> |

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SAM LABS LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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9. Creditors: Amounts falling due within one year

|                                    | 2021<br>£      | 2020<br>£      |
|------------------------------------|----------------|----------------|
| Bank loans                         | 9,547          | 3,142          |
| Trade creditors                    | 28,402         | 156,213        |
| Amounts owed to group undertakings | 758            | -              |
| Other taxation and social security | 6,890          | 8,626          |
| Other creditors                    | 27,031         | 40,281         |
| Accruals                           | 63,424         | 37,675         |
| Deferred income                    | 1,370          | -              |
|                                    | <u>137,422</u> | <u>245,937</u> |

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

|            | 2021<br>£     | 2020<br>£     |
|------------|---------------|---------------|
| Bank loans | 38,885        | 46,858        |
|            | <u>38,885</u> | <u>46,858</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

11. 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, no share options were granted to employees.

|   | Weighted<br>average<br>exercise price<br>(pence)<br>2021 | Number<br>2021 | Weighted<br>average<br>exercise price<br>(pence)<br>2020 | Number<br>2020 |
|---|--|----------------|--|----------------|
| Outstanding at the beginning of the year  | 52   | 293,846        | 52   | 344,480        |
| Granted during the year                   | 52   | -              | 52   | 1,592          |
| Expired during the year                   | 52   | (294)          | 52   | (52,226)       |
| <b>Outstanding at the end of the year</b> | <b>52</b>  | <b>293,552</b> | <b>52</b>  | <b>293,846</b> |

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