
SAM LABS LTD

**UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



SAM LABS LTD
REGISTERED NUMBER: 09007359

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	5	2,549	18,142
Tangible assets	6	11,774	31,530
Investments	7	35,052	30,052
		<u>49,375</u>	<u>79,724</u>
Current assets			
Stocks		569,620	760,955
Debtors	8	1,656,881	1,337,416
Cash at bank and in hand		2,214,255	3,549,657
		<u>4,440,756</u>	<u>5,648,028</u>
Creditors: amounts falling due within one year	9	(245,937)	(329,787)
Net current assets		<u>4,194,819</u>	<u>5,318,241</u>
Total assets less current liabilities		<u>4,244,194</u>	<u>5,397,965</u>
Creditors: amounts falling due after more than one year	10	(46,858)	-
Net assets		<u><u>4,197,336</u></u>	<u><u>5,397,965</u></u>
Capital and reserves			
Called up share capital		50,678	50,678
Share premium account		15,476,727	15,476,727
Profit and loss account		(11,330,069)	(10,129,440)
		<u><u>4,197,336</u></u>	<u><u>5,397,965</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

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: 20 July 2021

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

The Board continues to have a reasonable expectation that with the current sales trajectory the Group has adequate resources to continue in operation for the next 12 months and that the going concern basis of accounting remains appropriate.

The outbreak of the COVID-19 pandemic and the measures adopted by the governments in countries worldwide to mitigate its spread have impacted the Group's turnover. The Company managed to serve its customers and responded to their challenges with remote-learning friendly products. The company also mitigated the effect on its liquidity by reducing non essential expenditure, freezing non-essential recruitment and reducing marketing spend.

Looking forward to 2021, SAM Labs has key online products and offerings to increase its scalability. The Company is expecting to undertake a fundraising round during the course of 2021 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 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:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020**

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 2020**

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 2020**

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 10 (2019 - 26).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Intangible assets

	Website £	Computer software £	Total £
Cost			
At 1 January 2020	22,763	43,436	66,199
At 31 December 2020	22,763	43,436	66,199
Amortisation			
At 1 January 2020	20,535	27,522	48,057
Charge for the year on owned assets	1,114	14,479	15,593
At 31 December 2020	21,649	42,001	63,650
Net book value			
At 31 December 2020	1,114	1,435	2,549
At 31 December 2019	2,228	15,914	18,142

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Tangible fixed assets

	Leasehold Improvements £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2020	14,321	90,914	8,976	71,085	185,296
Additions	-	-	-	5,888	5,888
At 31 December 2020	14,321	90,914	8,976	76,973	191,184
Depreciation					
At 1 January 2020	14,321	74,566	8,755	56,124	153,766
Charge for the year on owned assets	-	15,072	221	10,351	25,644
At 31 December 2020	14,321	89,638	8,976	66,475	179,410
Net book value					
At 31 December 2020	-	1,276	-	10,498	11,774
At 31 December 2019	-	16,348	221	14,961	31,530

SAM LABS LTD

NOTES TO THE FINANCIAL STATEMENTS
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7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	30,052
Additions	5,000
	<hr/>
At 31 December 2020	35,052
 Net book value	
At 31 December 2020	<u>35,052</u>
At 31 December 2019	<u>30,052</u>

8. Debtors

	2020 £	2019 £
Trade debtors	26,393	119,872
Amounts owed by group undertakings	1,579,185	1,071,812
Other debtors	36,260	137,059
Called up share capital not paid	749	749
Prepayments and accrued income	14,294	7,924
	<hr/>	<hr/>
	<u>1,656,881</u>	<u>1,337,416</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	3,142	-
Trade creditors	156,213	174,739
Other taxation and social security	8,626	93,113
Other creditors	40,281	40,281
Accruals and deferred income	37,675	21,654
	<u>245,937</u>	<u>329,787</u>

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

	2020 £	2019 £
Bank loans	46,858	-
	<u>46,858</u>	<u>-</u>

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, 1,592 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) 2020	Number 2020	Weighted average exercise price (pence) 2019	Number 2019
Outstanding at the beginning of the year	52	344,480	52	373,929
Granted during the year	52	1,592	52	61,550
Expired during the year	52	(52,226)	52	(90,999)
	<u>52</u>	<u>293,846</u>	<u>52</u>	<u>344,480</u>
Outstanding at the end of the year				

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