

**LEARNING LABS LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Learning Labs Ltd
Unaudited Financial Statements
For The Year Ended 31 March 2023

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Learning Labs Ltd
Balance Sheet
As At 31 March 2023

Registered number: 06176270

		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	4		22,629		23,308
			22,629		23,308
CURRENT ASSETS					
Debtors	5	782,045		370,743	
Cash at bank and in hand		505,938		353,157	
		1,287,983		723,900	
Creditors: Amounts Falling Due Within One Year	6	(1,484,206)		(704,235)	
NET CURRENT ASSETS (LIABILITIES)			(196,223)		19,665
TOTAL ASSETS LESS CURRENT LIABILITIES			(173,594)		42,973
Creditors: Amounts Falling Due After More Than One Year	7		(398,248)		(147,334)
NET LIABILITIES			(571,842)		(104,361)
CAPITAL AND RESERVES					
Called up share capital	8		359		359
Share premium account			2,379,989		2,379,989
Profit and Loss Account			(2,952,190)		(2,484,709)
SHAREHOLDERS' FUNDS			(571,842)		(104,361)

Learning Labs Ltd
Balance Sheet (continued)
As At 31 March 2023

For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr Richard Allen

Director

Mr Veejay Lingiah

Director

Mr Simon Wheatley

Director

14/12/2023

The notes on pages 3 to 6 form part of these financial statements.

Learning Labs Ltd
Notes to the Financial Statements
For The Year Ended 31 March 2023

1. General Information

Learning Labs Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 06176270 . The registered office is Icentrum, 6 Holt Street, Birmingham, West Midlands, B7 4BP.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 section 1A Small Entities "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

2.2. Going Concern Disclosure

These financial statements have been prepared on a going concern basis, which assumes that the entity will be able to realise its assets and discharge its liabilities in the normal course of business. However, as of March 31, 2023, the entity had negative net Assets of £571,842 for the year then ended.

This is due predominantly to our increasing liability related to deferred income as the business continues to grow and is common amongst early stage growing Saas Business models.

The entity's ability to continue as a going concern is dependent on its ability to obtain additional financing, generate sufficient cash flows from operations, and achieve profitable operations.

The Directors of the business and the Board have concluded that these risks are well mitigated and that we are indeed satisfied we are in a position to continue to trade on a going concern basis.

2.3. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

2.4. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	25% straight line
Computer Equipment	25% straight line

2.5. Foreign Currencies

Monetary 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Learning Labs Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

2.6. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

2.7. Pensions

The company operates a defined pension contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2.8. Government Grant

Government grants are recognised in the profit and loss account in an appropriate manner that matches them with the expenditure towards which they are intended to contribute.

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the profit and loss account. Grants towards general activities of the entity over a specific period are recognised in the profit and loss account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the profit and loss account over the useful life of the asset concerned.

All grants in the profit and loss account are recognised when all conditions for receipt have been complied with.

3. Average Number of Employees

Average number of employees, including directors, during the year was: 37 (2022: 36)

4. Tangible Assets

	Plant & Machinery	Computer Equipment	Total
	£	£	£
Cost			
As at 1 April 2022	333	77,250	77,583
Additions	907	8,959	9,866
As at 31 March 2023	<u>1,240</u>	<u>86,209</u>	<u>87,449</u>
Depreciation			
As at 1 April 2022	333	53,942	54,275
Provided during the period	1,116	9,429	10,545
As at 31 March 2023	<u>1,449</u>	<u>63,371</u>	<u>64,820</u>

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Learning Labs Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

Net Book Value

As at 31 March 2023	(209)	22,838	22,629
As at 1 April 2022	-	23,308	23,308

5. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	286,868	170,953
Other debtors	495,177	199,790
	<u>782,045</u>	<u>370,743</u>

6. Creditors: Amounts Falling Due Within One Year

	2023	2022
	£	£
Trade creditors	62,240	25,313
Bank loans and overdrafts	9,644	9,420
Other taxes and social security	152,033	86,910
Other creditors	974,500	578,792
Convertible loan notes	285,789	-
Government grants within one year	-	3,800
	<u>1,484,206</u>	<u>704,235</u>

7. Creditors: Amounts Falling Due After More Than One Year

	2023	2022
	£	£
Bank loans	25,193	35,061
Other loans	250,000	-
Other creditors	123,055	112,273
	<u>398,248</u>	<u>147,334</u>

Within Other Creditors falling due after one year is a Quasi-Equity loan arrangement. Interest accrues daily at a rate of 10% per annum 18 months after drawdown.

The bank loan is a bounce back loan advanced in August 2020, with repayments commencing in September 2021.

Within Other Loans falling due after one year are convertible loan notes. The material terms of the Convertible Loan Notes are as follows.

- on a Relevant Fund Raising, a price per Share being a 20% discount to the price per Share paid for Senior Shares by the investors on a Relevant Fund Raising; or
- on a Change of Control, a price per Share being a 20% discount to the price per Share paid for Shares by the purchaser on the Change of Control; or
- on the Longstop Date, £135 per Share.

The Longstop Date: 31 December 2024, provided always that if the Board is engaged in exclusive negotiations with a third party on that date for the potential sale of the Company then the Board may extend the Longstop Date to no later than 31 March 2025.

Learning Labs Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

8. Share Capital

	2023	2022
	£	£
Allotted, Called up and fully paid	<u>359</u>	<u>359</u>

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.