

**CHARACTER COUNTS LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Character Counts Ltd
Unaudited Financial Statements
For The Year Ended 31 December 2022

Contents

	Page
Balance Sheet	1—2
Notes to the Financial Statements	3—5

Character Counts Ltd
Balance Sheet
As at 31 December 2022

Registered number: 08977183

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	3		3,182		8,681
			<u>3,182</u>		<u>8,681</u>
CURRENT ASSETS					
Debtors	4	15,207		24,420	
Cash at bank and in hand		257,027		103,166	
		<u>272,234</u>		<u>127,586</u>	
Creditors: Amounts Falling Due Within One Year	5	(146,752)		(60,431)	
		<u>(146,752)</u>		<u>(60,431)</u>	
NET CURRENT ASSETS (LIABILITIES)			<u>125,482</u>		<u>67,155</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>128,664</u>		<u>75,836</u>
Creditors: Amounts Falling Due After More Than One Year	6		(667,757)		(624,561)
			<u>(667,757)</u>		<u>(624,561)</u>
NET LIABILITIES			<u>(539,093)</u>		<u>(548,725)</u>
CAPITAL AND RESERVES					
Called up share capital	7		1		1
Share premium account			675,929		675,929
Profit and Loss Account			<u>(1,215,023)</u>		<u>(1,224,655)</u>
SHAREHOLDERS' FUNDS			<u>(539,093)</u>		<u>(548,725)</u>

Character Counts Ltd
Balance Sheet (continued)
As at 31 December 2022

For the year ending 31 December 2022 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

Miss Jennifer Lexmond

Director

21 June 2023

The notes on pages 3 to 5 form part of these financial statements.

Character Counts Ltd
Notes to the Financial Statements
For The Year Ended 31 December 2022

1. Accounting Policies

1.1. 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

1.2. 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3. 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:

Office Equipment	25% straight-line
------------------	-------------------

1.4. 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.

1.5. 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.

1.6. 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.

Character Counts Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2022

1.7. 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.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows: 4 (2021: 11)

3. Tangible Assets

	Office Equipment £
Cost	
As at 1 January 2022	30,439
Additions	191
Disposals	(2,062)
As at 31 December 2022	<u>28,568</u>
Depreciation	
As at 1 January 2022	21,758
Provided during the period	4,659
Disposals	(1,031)
As at 31 December 2022	<u>25,386</u>
Net Book Value	
As at 31 December 2022	<u>3,182</u>
As at 1 January 2022	<u>8,681</u>

4. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	-	780
Other debtors	15,207	23,640
	<u>15,207</u>	<u>24,420</u>

Character Counts Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2022

5. Creditors: Amounts Falling Due Within One Year

	2022	2021
	£	£
Trade creditors	5,220	5,341
Bank loans and overdrafts	9,687	7,021
Other creditors	100,561	35,444
Taxation and social security	31,284	12,625
	<u>146,752</u>	<u>60,431</u>

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

	2022	2021
	£	£
Bank loans	33,217	42,979
Other creditors	634,540	581,582
	<u>667,757</u>	<u>624,561</u>

Other creditors includes unsecured convertible loans made available under a loan agreement dated 9 December 2020 and which carry simple interest at the rate of 8% per annum for a period of 3 years.

7. Share Capital

	2022	2021
Allotted, Called up and fully paid	<u>1</u>	<u>1</u>

The company allotted 54,231 ordinary shares of £0.000001 each during the year. The aggregate nominal value was £0.054231 and the consideration received in respect of these shares was £0.054231.

Allotted, called up share capital that has been paid up amounted to 1,540,171 (2021 - 1,485,940) Ordinary shares of £0.000001 each.

8. Pension Commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The company also contributes to a defined contribution pension scheme. At the balance sheet date unpaid contributions of £1,381 (2021 - £1,313) were due to the funds and are included in other creditors.

9. General Information

Character Counts Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 08977183 . The registered office is 20-30 Whitechapel Road, London, E1 1EW. The principal activity of the company is educational software development.

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.