

TEACHERCENTRIC LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

TEACHERCENTRIC LIMITED
REGISTERED NUMBER: 06055034

BALANCE SHEET
AS AT 31 JULY 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	41,307	53,309
Investments	6	822	822
		<u>42,129</u>	<u>54,131</u>
Current assets			
Debtors: amounts falling due within one year	7	2,672,713	1,770,896
Cash at bank and in hand	8	136,126	608,719
		<u>2,808,839</u>	<u>2,379,615</u>
Creditors: amounts falling due within one year	9	(3,653,480)	(4,277,897)
Net current liabilities		<u>(844,641)</u>	<u>(1,898,282)</u>
Total assets less current liabilities		<u>(802,512)</u>	<u>(1,844,151)</u>
Creditors: amounts falling due after more than one year	10	(40,490)	(111,298)
Provisions for liabilities			
Deferred tax	12	(6,798)	(12,610)
		<u>(6,798)</u>	<u>(12,610)</u>
Net liabilities		<u><u>(849,800)</u></u>	<u><u>(1,968,059)</u></u>

TEACHERCENTRIC LIMITED
REGISTERED NUMBER: 06055034

BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2022

	Note	2022 £	2021 £
Capital and reserves			
Called up share capital		2,991	2,825
Share premium account	13	9,132,196	8,180,761
Other reserves	13	212,300	212,275
Profit and loss account	13	(10,197,287)	(10,363,920)
		<u>(849,800)</u>	<u>(1,968,059)</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 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 on 18 April 2023.

N Gohil
Director

The notes on pages 4 to 16 form part of these financial statements.

TEACHERCENTRIC LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2022

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 August 2020	2,657	7,272,200	212,057	(10,050,786)	(2,563,872)
Comprehensive income for the year					
Loss for the year	-	-	-	(313,134)	(313,134)
Contributions by and distributions to owners					
Shares issued during the year	168	908,561	-	-	908,729
Share option charge	-	-	218	-	218
At 1 August 2021	2,825	8,180,761	212,275	(10,363,920)	(1,968,059)
Comprehensive income for the year					
Profit for the year	-	-	-	166,633	166,633
Contributions by and distributions to owners					
Shares issued during the year	166	951,435	-	-	951,601
Share option charge	-	-	25	-	25
At 31 July 2022	2,991	9,132,196	212,300	(10,197,287)	(849,800)

The notes on pages 4 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

1. General information

Teachercentric Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 06055034 and registered office address is 4 Crown Place, London EC2A 4BT.

The principal activity of the company is the provision of educational services.

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 following principal accounting policies have been applied:

2.2 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.

2.3 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:

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.5 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.

2.6 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.

2.7 Interest income

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

2.8 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.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. 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 JULY 2022

2. Accounting policies (continued)

2.11 Share based payments

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.14 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:

Improvements to property	- Straight line over the life of the lease
Plant and machinery	- 33% on cost and 25% on cost

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.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

3. Employees

The average monthly number of employees, including directors, during the year was 47 (2021 - 48).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

4. Intangible assets

	Other intangible assets £
Cost	
At 1 August 2021	9,816
At 31 July 2022	9,816
Amortisation	
At 1 August 2021	9,816
At 31 July 2022	9,816
Net book value	
At 31 July 2022	-
At 31 July 2021	-

TEACHERCENTRIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

5. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 August 2021	89,520
Additions	9,070
	<hr/>
At 31 July 2022	98,590
	<hr/>
Depreciation	
At 1 August 2021	36,211
Charge for the year on owned assets	21,072
	<hr/>
At 31 July 2022	57,283
	<hr/>
Net book value	
At 31 July 2022	<u>41,307</u>
<i>At 31 July 2021</i>	<u><u>53,309</u></u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2021	822
	<hr/>
At 31 July 2022	822
	<hr/>
Net book value	
At 31 July 2022	<u>822</u>
<i>At 31 July 2021</i>	<u><u>822</u></u>

TEACHERCENTRIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

7. Debtors

	2022 £	2021 £
Trade debtors	556,943	489,609
Amounts owed by group undertakings	1,756,046	1,101,430
Other debtors	245,396	61,885
Prepayments and accrued income	114,328	117,972
	<u>2,672,713</u>	<u>1,770,896</u>

Included within other debtors due within one year is a loan to N. Gohil, a director, amounting to £21,523 (2021 - £47,555). The main conditions were as follows:

Loans to the directors are repayable on demand. Interest is charged on all loans at the official rate of interest set by HMRC.

8. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	136,126	608,719
	<u>136,126</u>	<u>608,719</u>

TEACHERCENTRIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	9,507	3,932
Other loans	-	365,780
Trade creditors	239,500	260,256
Other taxation and social security	249,807	275,111
Other creditors	78,953	27,454
Accruals and deferred income	3,075,713	3,345,364
	<u>3,653,480</u>	<u>4,277,897</u>

The following liabilities were secured:

	2022 £	2021 £
Other loans	-	365,780
	<u>-</u>	<u>365,780</u>

Details of security provided:

Other loans were secured on the trademarks held within the company.

TEACHERCENTRIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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

	2022 £	2021 £
Bank loans	40,490	46,068
Other loans	-	65,230
	<u>40,490</u>	<u>111,298</u>

The following liabilities were secured:

	2022 £	2021 £
Other loans	-	65,230
	<u>-</u>	<u>65,230</u>

Details of security provided:

Other loans were secured on the trademarks held within the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

11. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	9,507	3,932
Other loans	-	365,780
	<u>9,507</u>	<u>369,712</u>
Amounts falling due 1-2 years		
Bank loans	9,747	9,606
Other loans	-	65,230
	<u>9,747</u>	<u>74,836</u>
Amounts falling due 2-5 years		
Bank loans	30,743	36,461
	<u>30,743</u>	<u>36,461</u>
	<u><u>49,997</u></u>	<u><u>481,009</u></u>

12. Deferred taxation

	2022 £
At beginning of year	(12,610)
Charged to profit or loss	5,812
At end of year	<u><u>(6,798)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

12. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	(10,327)	(13,327)
Short term timing differences	3,529	717
	<u>(6,798)</u>	<u>(12,610)</u>

13. Reserves**Share premium account**

The share premium account represents all amounts received for shares issued at a premium.

Advance subscriptions

The balance represents subscriptions received in advance.

Profit and loss account

Retained earnings includes all current and prior period retained profits and losses less dividends paid.

14. 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. The pension cost charge represents contributions payable by the Company to the fund and amounted to £41,629 (2021 - £33,794). Contributions totalling £10,876 (2021 - £7,652) were payable to the fund at the balance sheet date and are included in creditors.

15. Related party transactions

	2022	2021
	£	£
Loans to directors	<u>21,523</u>	<u>47,555</u>

Loans to the directors are repayable on demand. Interest is charged on all loans at the official rate of interest set by HMRC.

The company has taken advantage of the exemption allowed under FRS 102 as the parent company of a small group not to disclose intra-group transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

16. Share based payments transactions

The company operates an equity settled Enterprise Management Incentive (EMI) Share Option Scheme. The options are granted with a fixed exercise price determined at the grant of the option. The majority of the options vest over a period of up to 4 years following the date of the grant with the remainder vesting as performance milestones are achieved. The options are exercisable until up to the 10th anniversary from the date of grant. Employees are not entitled to dividends until the shares are exercised. Vesting of options is subject to continued employment with the company.

The company also operates an Unapproved Share Option Scheme. The options are granted with a fixed exercise price determined at the grant of the option. The majority of the options vest over a period of up to 4 years following the date of the grant with the remainder vesting as performance milestones are achieved. The options are exercisable until up to the 10th anniversary from the date of grant.

7,831 share options have been granted as at 31 July 2022.

The fair value of the options granted have been calculated using the Black Scholes model. The total charge for the period was £25 (2021: £218).

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