

**TEACHERCENTRIC LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

**TEACHERCENTRIC LIMITED**  
**REGISTERED NUMBER: 06055034**

**BALANCE SHEET**  
**AS AT 31 JULY 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	4	1,628,783	-
Tangible assets	5	37,855	41,307
Investments	6	822	822
		<u>1,667,460</u>	<u>42,129</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	4,144,413	2,672,713
Cash at bank and in hand	8	213,057	136,126
		<u>4,357,470</u>	<u>2,808,839</u>
Creditors: amounts falling due within one year	9	(4,153,787)	(3,653,480)
<b>Net current assets/(liabilities)</b>		<u>203,683</u>	<u>(844,641)</u>
<b>Total assets less current liabilities</b>		<u>1,871,143</u>	<u>(802,512)</u>
Creditors: amounts falling due after more than one year	10	(31,566)	(40,490)
<b>Provisions for liabilities</b>			
Deferred tax	12	(4,854)	(6,798)
		<u>(4,854)</u>	<u>(6,798)</u>
<b>Net assets/(liabilities)</b>		<u><u>1,834,723</u></u>	<u><u>(849,800)</u></u>
<b>Capital and reserves</b>			
Called up share capital		49,241	2,991
Share premium account	13	11,069,447	9,132,196
Other reserves	13	212,300	212,300
Profit and loss account	13	(9,496,265)	(10,197,287)
		<u><u>1,834,723</u></u>	<u><u>(849,800)</u></u>

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**TEACHERCENTRIC LIMITED**  
**REGISTERED NUMBER: 06055034**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 JULY 2023**

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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 27 February 2024.

**N Gohil**  
Director

The notes on pages 4 to 13 form part of these financial statements.

TEACHERCENTRIC LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2023

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 August 2021</b>	2,825	8,180,761	212,275	(10,363,920)	(1,968,059)
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	166,633	166,633
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	166	951,435	-	-	951,601
Share option charge	-	-	25	-	25
<b>At 1 August 2022</b>	2,991	9,132,196	212,300	(10,197,287)	(849,800)
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	701,022	701,022
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	46,250	2,266,251	-	-	2,312,501
Fundraising expenses	-	(329,000)	-	-	(329,000)
<b>At 31 July 2023</b>	<b>49,241</b>	<b>11,069,447</b>	<b>212,300</b>	<b>(9,496,265)</b>	<b>1,834,723</b>

The notes on pages 4 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

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**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 Exchange House, 7th Floor (Zego), 12 Primrose Street, London EC2A 4BQ.

The principal activity of the company is the provision of software solutions and services to the education sector.

**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 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, net of discounts and rebates, and excluding value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Rendering of services**

Turnover 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 turnover 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.

**2.3 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023

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**2. Accounting policies (continued)**

**2.4 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.

**2.5 Interest income**

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

**2.6 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.

**2.7 Borrowing costs**

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

**2.8 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.

**2.9 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023

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**2. Accounting policies (continued)**

**2.10 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.

**2.11 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.

**2.12 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023

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**2. Accounting policies (continued)**

**2.12 Tangible fixed assets (continued)**

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.

**2.13 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.14 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.

**2.15 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.

**2.16 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.

**2.17 Provisions for liabilities**

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

**3. Employees**

The average monthly number of employees, including directors, during the year was 48 (2022: 47).

**4. Intangible assets**

	Other intangible assets £
<b>Cost</b>	
At 1 August 2022	9,816
Additions - internal	1,861,466
At 31 July 2023	1,871,282
<b>Amortisation</b>	
At 1 August 2022	9,816
Charge for the year on owned assets	232,683
At 31 July 2023	242,499
<b>Net book value</b>	
At 31 July 2023	1,628,783
At 31 July 2022	-

TEACHERCENTRIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023

5. Tangible fixed assets

	Plant and machinery £
<b>Cost or valuation</b>	
At 1 August 2022	98,590
Additions	20,824
At 31 July 2023	119,414
<b>Depreciation</b>	
At 1 August 2022	57,282
Charge for the year on owned assets	24,277
At 31 July 2023	81,559
<b>Net book value</b>	
At 31 July 2023	37,855
<i>At 31 July 2022</i>	<i>41,307</i>

6. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 August 2022	822
At 31 July 2023	822
<b>Net book value</b>	
At 31 July 2023	822
<i>At 31 July 2022</i>	<i>822</i>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023

7. Debtors

	2023 £	2022 £
Trade debtors	374,799	556,943
Amounts owed by group undertakings	3,602,210	1,756,046
Other debtors	49,670	245,396
Prepayments and accrued income	117,734	114,328
	<u>4,144,413</u>	<u>2,672,713</u>

Included within other debtors due within one year is a loan to N. Gohil, a director, amounting to £26,026 (2022: £21,523). 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

	2023 £	2022 £
Cash at bank and in hand	213,057	136,126
	<u>213,057</u>	<u>136,126</u>

9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	9,727	9,507
Trade creditors	352,510	239,500
Other taxation and social security	347,677	249,807
Other creditors	26,155	78,953
Accruals and deferred income	3,417,718	3,075,713
	<u>4,153,787</u>	<u>3,653,480</u>

TEACHERCENTRIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023

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

	2023 £	2022 £
Bank loans	31,566	40,490
	<u>31,566</u>	<u>40,490</u>

11. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
<b>Amounts falling due within one year</b>		
Bank loans	9,727	9,507
	<u>9,727</u>	<u>9,507</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	9,973	9,747
	<u>9,973</u>	<u>9,747</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	21,593	30,743
	<u>21,593</u>	<u>30,743</u>
	<u>41,293</u>	<u>49,997</u>

12. Deferred taxation

	2023 £
At beginning of year	(6,798)
Charged to profit or loss	1,944
<b>At end of year</b>	<u>(4,854)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

**12. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	<b>2023</b>	2022
	<b>£</b>	£
Accelerated capital allowances	<b>(7,192)</b>	(10,327)
Short term timing differences	<b>2,338</b>	3,529
	<u><b>(4,854)</b></u>	<u>(6,798)</u>

**13. Reserves****Share premium account**

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

**Other reserves**

The balance on other reserves represents the fair value of share-based payments awards granted to employees charged to profit and loss in the current and prior periods.

**Profit and loss account**

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

**14. Contingent liabilities**

The company has given a charge over its assets for loans made to its subsidiary company Teachercentric Inc. At the balance sheet date the outstanding loan balance was £950,295.

**15. 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 £45,156 (2022: £41,629). Contributions totalling £10,036 (2022: £10,876) were payable to the fund at the balance sheet date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023**

**16. Related party transactions**

	2023 £	2022 £
Loans to directors	<u>26,026</u>	<u>21,523</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.

**17. 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.

1,162,355 share options have been granted as at 31 July 2023.

The fair value of the options granted have been calculated using the Black Scholes model. The total charge for the period was £nil (2022: £25).

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