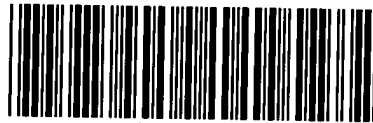


Company Registration No. 10150500 (England and Wales)

**THE EDUCATION HUB GROUP LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023**

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THE EDUCATION HUB GROUP LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023		2022 as restated	
		£	£	£	£
Fixed assets					
Tangible assets	4		31,904		40,918
Investments	5		9		-
			<u>31,913</u>		<u>40,918</u>
Current assets					
Debtors	6	1,141,278		989,404	
Cash at bank and in hand		168,462		369,723	
		<u>1,309,740</u>		<u>1,359,127</u>	
Creditors: amounts falling due within one year	7	<u>(1,902,315)</u>		<u>(1,091,604)</u>	
Net current (liabilities)/assets			<u>(592,575)</u>		<u>267,523</u>
Total assets less current liabilities			<u>(560,662)</u>		<u>308,441</u>
Creditors: amounts falling due after more than one year	8		<u>(487,308)</u>		<u>(8,867)</u>
Net (liabilities)/assets			<u><u>(1,047,970)</u></u>		<u><u>299,574</u></u>
Capital and reserves					
Called up share capital			1,582		1,582
Share premium account			3,308,709		3,308,709
Profit and loss reserves			<u>(4,358,261)</u>		<u>(3,010,717)</u>
Total equity			<u><u>(1,047,970)</u></u>		<u><u>299,574</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 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 of its financial statements for the year in question in accordance with section 476.

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.

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

THE EDUCATION HUB GROUP LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2023

The financial statements were approved by the board of directors and authorised for issue on 19/12/23 and are signed on its behalf by:

Sam Hyams

.....
Samuel Hyams
Director

THE EDUCATION HUB GROUP LTD

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

1 Accounting policies

Company information

The Education Hub Group Ltd is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 5 2 Mill Street, London, United Kingdom, SE1 2BD.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

Post year end, in April 2023 the company raised £3m in equity funding to develop its products and accelerate growth. This enabled the company to scale its team and continue to source opportunities both in the UK and abroad. In November 2023 a further £350k of equity investment was raised and negotiations are underway to raise a further \$2.5m next year.

Whilst the board is comfortable with company's trajectory, growth has been slower than anticipated. As such, the directors have taken action to significantly reduce costs. The directors have prepared cashflow forecasts to reflect the reduced costs and their revised expectations of sales and are comfortable that they are able to manage the working capital over the next 12 months. The directors will continue to monitor the cash position closely and will react accordingly. One of the investors has also confirmed that they will provide support for a period of at least 12 months from the date of signing the financial statements.

The directors, with reference to the cashflow forecasts prepared and support provided by investors, believe it is appropriate to prepare the financial statements on the going concern accounting basis. In making their assessment the directors have considered a period of at least 12 months from the date of signature of these financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services to external customers in the ordinary nature of the business. Turnover is shown net of Value Added Tax.

Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect. The directors have determined that there are two separately identifiable components of turnover received from contracts.

The first component is that relating to the creation of bespoke content which is recognised using the "percentage of completion method" to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs.

THE EDUCATION HUB GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

The second component relates to the hosting and promotion of the content and the support and reporting obligations to the customer which is provided over a period agreed at the commencement of the contract. This revenue is initially deferred and is then released to the profit and loss account evenly over the term of the contract.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Office Equipment	33% straight line
Computer equipment	33% straight line
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

During the year the directors revised their estimate of the useful life of tangible fixed assets. Previously depreciation was recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Office Equipment	25% straight line
Computer Equipment	25% straight line
Motor Vehicles	20% reducing balance

This resulted in an increase in depreciation expense of £30,415 for the year ended 31 March 2023. The effect of this change in estimate on future periods is impracticable to determine.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

THE EDUCATION HUB GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, loans and loans from fellow group that are classified as debt, 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 payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

THE EDUCATION HUB GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

THE EDUCATION HUB GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

THE EDUCATION HUB GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Prior period adjustment

Changes to the statement of financial position

	As previously reported	Adjustment	As restated at 31 Mar 2022
	£	£	£
Creditors due within one year			
Deferred income (included in other creditors)	(167,117)	(730,561)	(897,678)
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss	(2,280,156)	(730,561)	(3,010,717)
	<u> </u>	<u> </u>	<u> </u>

Notes to the adjustments

Revenue recognition

As more fully described in the accounting policies, the directors have revisited and adopted a revised revenue recognition accounting policy as they consider it is more appropriate to consider the key components provided to customers, being the bespoke content delivery component, and the hosting and marketing component separately.

A prior period adjustment has been made to reflect this revision to ensure consistency from period to period. The impact of the adjustment on the comparative figures is to increase deferred income by £730,561, decrease revenue and increase the loss before tax by £221,026 and decrease opening reserves by £509,535.

Reclassification of costs

The directors have reviewed the presentation of the expenses in the profit and loss account to ensure that the allocations continue to reflect the activities of the Company. As a result employee costs, including wages, social security, pension and commission costs, of £804,820 have been reanalysed from administrative expenses to cost of sales in the current year. To maintain comparability, prior year employee costs of £581,225 have been reanalysed to cost of sales from administrative expenses. The impact of the reanalysis on net profit is £nil.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	<u>54</u>	<u>55</u>

THE EDUCATION HUB GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2022	56,162
Additions	40,035
	<u>96,197</u>
At 31 March 2023	96,197
Depreciation and impairment	
At 1 April 2022	15,244
Depreciation charged in the year	49,049
	<u>64,293</u>
At 31 March 2023	64,293
Carrying amount	
At 31 March 2023	<u>31,904</u>
At 31 March 2022	<u>40,918</u>

5 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	9	-
	<u>9</u>	<u>-</u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2022	-
Additions	9
	<u>9</u>
At 31 March 2023	9
Carrying amount	
At 31 March 2023	<u>9</u>
At 31 March 2022	<u>-</u>

THE EDUCATION HUB GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Debtors	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	401,082	473,149
Amounts owed by group undertakings	534,365	-
Other debtors	205,831	516,255
	<u>1,141,278</u>	<u>989,404</u>

7 Creditors: amounts falling due within one year	2023	2022
	£	as restated £
Trade creditors	136,053	14,521
Taxation and social security	280,621	146,243
Other creditors	1,485,641	930,840
	<u>1,902,315</u>	<u>1,091,604</u>

Security in the form of a fixed charge, a floating charge and negative pledge over the assets of the limited company have been given in respect of a non bank loan of £144,445 (2022: £nil) included within other creditors.

The hire purchase liability of £3,040 (2022: £3,040) included within other creditors is secured over the assets to which it relates.

Other creditors includes deferred income of £854,852 (2022 as restated: £897,678)

8 Creditors: amounts falling due after more than one year	2023	2022
	£	£
Other creditors	<u>487,308</u>	<u>8,867</u>

Security in the form of a fixed charge, a floating charge and negative pledge over the assets of the limited company have been given in respect of a non bank loan of £481,481 (2022: £nil) included within other creditors.

The hire purchase liability of £5,827 (2022: £8,867) included within other creditors is secured over the assets to which it relates.

THE EDUCATION HUB GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	114,048	85,500
Between one and five years	31,634	118,992
	<u>145,682</u>	<u>204,492</u>