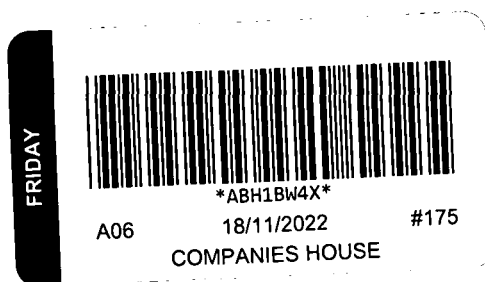


Company registration number 09451518 (England and Wales)

EDUME LIMITED (CONSOLIDATED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



EDUME LIMITED (CONSOLIDATED)

COMPANY INFORMATION

Directors	Mr J Waern M Elnaggar Mr D Nikolaev	(Appointed 20 December 2021)
Secretary	Mr J Waern	
Company number	09451518	
Registered office	25a Copperfield Street London SE1 0EN	
Auditor	Mercer & Hole LLP 72 London Road St Albans Herts AL1 1NS	

EDUME LIMITED (CONSOLIDATED)

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EDUME LIMITED (CONSOLIDATED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the group continued to be that of the provision of mobile and online learning.

Results and dividends

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J Waern

Mr P Bezza

M Elnaggar

Mr D Nikolaev

(Resigned 20 December 2021)

(Appointed 20 December 2021)

Auditor

Mercer & Hole LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

The groups auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The directors have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement and in accordance with the parent company's articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

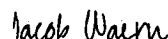
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the group is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

DocuSigned by:



B266A2580FA1402:.....

Mr J Waern

Director

15/11/2022

Date:

EDUME LIMITED (CONSOLIDATED)
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EDUME LIMITED (CONSOLIDATED)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EDUME LIMITED (CONSOLIDATED)

Opinion

We have audited the financial statements of Edume Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group profit and loss account, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

EDUME LIMITED (CONSOLIDATED)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EDUME LIMITED (CONSOLIDATED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the parent company and its subsidiaries and the industry in which it operates and considered the risk of acts by the parent company and its subsidiaries that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

EDUME LIMITED (CONSOLIDATED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF EDUME LIMITED (CONSOLIDATED)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

The group was not required to have a statutory audit for the year ended 31 December 2020 as it was entitled to the exemption from the provision of the Companies Act 2006 relating to the audit of the financial statements for the year by virtue of Section 477 and no member or members requested an audit pursuant to Section 476 of the Act. Accordingly, the corresponding figures for the year ended 31 December 2020 are unaudited.

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

27DC21325873435
Jolene Upshall FCA (Senior Statutory Auditor)
For and on behalf of Mercer & Hole LLP

17/11/2022
Date:

Chartered Accountants
Statutory Auditor

72 London Road
St Albans
Herts
AL1 1NS

EDUME LIMITED (CONSOLIDATED)
GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 \$	2020 Unaudited \$
Turnover		2,842,526	1,388,770
Cost of sales		(633,725)	(233,511)
Gross profit		<u>2,208,801</u>	<u>1,155,259</u>
Administrative expenses		(4,700,802)	(2,204,192)
Other operating income		-	42,597
Operating loss		<u>(2,492,001)</u>	<u>(1,006,336)</u>
Interest payable and similar expenses		(87,995)	(282,097)
Loss before taxation		<u>(2,579,996)</u>	<u>(1,288,433)</u>
Tax on loss		314,877	151,400
Loss for the financial year		<u><u>(2,265,119)</u></u>	<u><u>(1,137,033)</u></u>

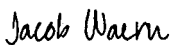
Loss for the financial year is all attributable to the owners of the parent company.

EDUME LIMITED (CONSOLIDATED)**GROUP BALANCE SHEET****AS AT 31 DECEMBER 2021**

		2021		2020	
	Notes	\$	\$	Restated	Restated
				\$	\$
Fixed assets					
Intangible assets	4		1,050		-
Tangible assets	5		151,148		52,751
			<u>152,198</u>		<u>52,751</u>
Current assets					
Debtors	8	1,736,946		739,476	
Cash at bank and in hand		22,579,717		4,762,277	
			<u>24,316,663</u>	<u>5,501,753</u>	
Creditors: amounts falling due within one year	9	(1,748,491)		(507,285)	
Net current assets			<u>22,568,172</u>		<u>4,994,468</u>
Total assets less current liabilities			<u>22,720,370</u>		<u>5,047,219</u>
Creditors: amounts falling due after more than one year	10		(1,848,823)		(1,759,890)
Net assets			<u>20,871,547</u>		<u>3,287,329</u>
Capital and reserves					
Called up share capital	13		274		212
Share premium account			26,706,751		6,857,476
Profit and loss reserves			(5,835,478)		(3,570,359)
Total equity			<u>20,871,547</u>		<u>3,287,329</u>

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

The financial statements were approved by the board of directors and authorised for issue on 15/11/2022 and are signed on its behalf by:

DocuSigned by:

B255A258CFA17402.....
 Mr J Waern
 Director

EDUME LIMITED (CONSOLIDATED)**COMPANY BALANCE SHEET****AS AT 31 DECEMBER 2021**

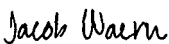
		2021		2020	
	Notes	\$	\$	Restated	Restated
				\$	\$
Fixed assets					
Intangible assets	4		1,050		-
Tangible assets	5		139,512		52,751
Investments	6		10		10
			<u>140,572</u>		<u>52,761</u>
Current assets					
Debtors	8	1,879,541		739,466	
Cash at bank and in hand		22,417,375		4,762,277	
			<u>24,296,916</u>	<u>5,501,743</u>	
Creditors: amounts falling due within one year	9	<u>(1,729,214)</u>		<u>(507,285)</u>	
Net current assets			<u>22,567,702</u>		<u>4,994,458</u>
Total assets less current liabilities			<u>22,708,274</u>		<u>5,047,219</u>
Creditors: amounts falling due after more than one year	10		<u>(1,848,823)</u>		<u>(1,759,890)</u>
Net assets			<u>20,859,451</u>		<u>3,287,329</u>
Capital and reserves					
Called up share capital	13		274		212
Share premium account			26,706,751		6,857,476
Profit and loss reserves			<u>(5,847,574)</u>		<u>(3,570,359)</u>
Total equity			<u>20,859,451</u>		<u>3,287,329</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was \$2,277,215 (2020 - \$1,137,033 loss).

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

The financial statements were approved by the board of directors and authorised for issue on 15/11/2022 and are signed on its behalf by:

DocuSigned by:



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Mr J Waern

Director

Company Registration No. 09451518

EDUME LIMITED (CONSOLIDATED)**GROUP STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Share capital \$	Share premium account \$	Profit and loss reserves \$	Total \$
Balance at 1 January 2020		154	1,752,443	(2,433,326)	(680,729)
Year ended 31 December 2020:					
Loss and total comprehensive income for the year		-	-	(1,137,033)	(1,137,033)
Issue of share capital	13	58	5,105,033	-	5,105,091
Balance at 31 December 2020		212	6,857,476	(3,570,359)	3,287,329
Year ended 31 December 2021:					
Loss and total comprehensive income for the year		-	-	(2,265,119)	(2,265,119)
Issue of share capital	13	62	19,849,275	-	19,849,337
Balance at 31 December 2021		274	26,706,751	(5,835,478)	20,871,547

EDUME LIMITED (CONSOLIDATED)**COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Share capital \$	Share premium account \$	Profit and loss reserves \$	Total \$
Balance at 1 January 2020		164	1,752,443	(2,433,326)	(680,719)
Year ended 31 December 2020:					
Loss and total comprehensive income for the year		-	-	(1,137,033)	(1,137,033)
Issue of share capital	13	48	5,105,033	-	5,105,081
Balance at 31 December 2020		212	6,857,476	(3,570,359)	3,287,329
Year ended 31 December 2021:					
Loss and total comprehensive income for the year		-	-	(2,277,215)	(2,277,215)
Issue of share capital	13	62	19,849,275	-	19,849,337
Balance at 31 December 2021		274	26,706,751	(5,847,574)	20,859,451

EDUME LIMITED (CONSOLIDATED)

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Edume Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 25a Copperfield Street, London, SE1 0EN.

The group consists of Edume Limited and all of its subsidiaries.

1.1 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 US Dollars, 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.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

EDUME LIMITED (CONSOLIDATED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Edume Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.4 Going concern

The financial statements have been prepared on a going concern basis. Although the group is loss making, it has net current assets of \$22,568,172 (2020 - \$4,994,468) at the balance sheet date. The group has sufficient funds to continue in operational existence, and the directors are confident that the group has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future for a minimum of twelve months from the date of the approval of these financial statements. The directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Patents & licences	not amortised
--------------------	---------------

1.8 Tangible fixed assets

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

EDUME LIMITED (CONSOLIDATED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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

Leasehold land and buildings	3 years straight line
Fixtures and fittings	5 years straight line
Computers	5 years straight line

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 recognised in the profit and loss account.

1.9 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

EDUME LIMITED (CONSOLIDATED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.12 Financial instruments

The group 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 in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.13 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.14 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

EDUME LIMITED (CONSOLIDATED)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.15 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.

Owing to the fact that the financial year end and holiday year end are coterminous, holiday pay has not been accrued for in the accounts at the year end.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 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

1.20 Foreign exchange

Transactions in currencies other than US Dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

EDUME LIMITED (CONSOLIDATED)**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****2 Judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Total	46	26	40	26
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 Intangible fixed assets

Group	Other \$
Cost	
At 1 January 2021	-
Additions	1,050
At 31 December 2021	<u>1,050</u>
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	-
Carrying amount	
At 31 December 2021	<u>1,050</u>
At 31 December 2020	<u> </u>

EDUME LIMITED (CONSOLIDATED)**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021****4 Intangible fixed assets****(Continued)**

Company	Other \$
Cost	
At 1 January 2021	-
Additions	1,050
At 31 December 2021	1,050
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	-
Carrying amount	
At 31 December 2021	1,050
At 31 December 2020	-

5 Tangible fixed assets

Group	Land and buildings \$	Plant and machinery etc \$	Total \$
Cost			
At 1 January 2021	-	77,694	77,694
Additions	26,964	103,015	129,979
Disposals	-	(17,171)	(17,171)
At 31 December 2021	26,964	163,538	190,502
Depreciation and impairment			
At 1 January 2021	-	24,943	24,943
Depreciation charged in the year	2,996	24,170	27,166
Eliminated in respect of disposals	-	(12,755)	(12,755)
At 31 December 2021	2,996	36,358	39,354
Carrying amount			
At 31 December 2021	23,968	127,180	151,148
At 31 December 2020	-	52,751	52,751

EDUME LIMITED (CONSOLIDATED)**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021****5 Tangible fixed assets****(Continued)**

Company	Land and buildings	Plant and machinery etc	Total
	\$	\$	\$
Cost			
At 1 January 2021	-	77,694	77,694
Additions	26,964	90,014	116,978
Disposals	-	(17,171)	(17,171)
At 31 December 2021	<u>26,964</u>	<u>150,537</u>	<u>177,501</u>
Depreciation and impairment			
At 1 January 2021	-	24,943	24,943
Depreciation charged in the year	2,996	22,805	25,801
Eliminated in respect of disposals	-	(12,755)	(12,755)
At 31 December 2021	<u>2,996</u>	<u>34,993</u>	<u>37,989</u>
Carrying amount			
At 31 December 2021	<u>23,968</u>	<u>115,544</u>	<u>139,512</u>
At 31 December 2020	<u>-</u>	<u>52,751</u>	<u>52,751</u>

6 Fixed asset investments

Group 2021	2020	Company 2021	2020
\$	\$	\$	\$
<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>

Movements in fixed asset investments**Company****Shares in
subsidiaries
\$****Cost or valuation**

At 1 January 2021 and 31 December 2021

10**Carrying amount**

At 31 December 2021

10

At 31 December 2020

10

EDUME LIMITED (CONSOLIDATED)**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****7 Subsidiaries**

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
EduMe, Inc.	470 Ramona Street Palo Alto , California 94301 United States of America	Ordinary	100.00

8 Debtors

	Group 2021	2020	Company 2021	2020
Amounts falling due within one year:	\$	\$	\$	\$
Trade debtors	798,367	466,358	798,367	466,358
Corporation tax recoverable	314,877	153,722	314,877	153,722
Amounts owed by group	-	-	142,677	-
Other debtors	623,702	119,396	623,620	119,386
	<u>1,736,946</u>	<u>739,476</u>	<u>1,879,541</u>	<u>739,466</u>

9 Creditors: amounts falling due within one year

	Group 2021	2020	Company 2021	2020
	\$	\$	\$	\$
Trade creditors	347,269	32,711	330,614	32,711
Taxation and social security	133,039	71,438	133,039	71,438
Other creditors	1,268,183	403,136	1,265,561	403,136
	<u>1,748,491</u>	<u>507,285</u>	<u>1,729,214</u>	<u>507,285</u>

10 Creditors: amounts falling due after more than one year

	Group 2021	2020	Company 2021	2020
Notes	\$	\$	\$	\$
Other creditors	1,848,823	1,759,890	1,848,823	1,759,890
	<u>1,848,823</u>	<u>1,759,890</u>	<u>1,848,823</u>	<u>1,759,890</u>

EDUME LIMITED (CONSOLIDATED)**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****11 Loans and overdrafts**

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Other loans	1,848,823	1,759,890	1,848,823	1,759,890
Payable after one year	1,848,823	1,759,890	1,848,823	1,759,890

12 Share-based payment transactions

Company	Number of share options	
	2021	2020
	Number	Number
Outstanding at 1 January 2021 and 31 December 2021	5,596	6,093
Granted	8,253	-
Forfeited	(440)	(497)
Exercised	(77)	-
Expired	(12)	-
Outstanding at 31 December 2021	13,320	5,596
Exercisable at 31 December 2021	13,320	5,596

The share options outstanding at 31 December 2021 had an exercise price of £0.0004 and have different vesting stop periods up till March 2025.

The value of share options is deemed to be immaterial, and therefore no charge has been recognised in the profit and loss account.

13 Share capital

Group and company	2021	2020	2021	2020
Ordinary share capital	Number	Number	\$	\$
Issued and fully paid				
Ordinary shares of £0.0004 each	250,077	250,000	127	127
Series B shares of £0.0004 each	117,842	-	62	-
	367,919	250,000	189	127

EDUME LIMITED (CONSOLIDATED)**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021****13 Share capital****(Continued)**

	2021	2020	2021	2020
	Number	Number	\$	\$
Preference share capital				
Issued and fully paid				
Series Seed Preferred shares of £0.0004 each	71,600	71,600	37	37
Series A preference shares of £0.0004 each	90,856	90,856	48	48
	<u>162,456</u>	<u>162,456</u>	<u>85</u>	<u>85</u>
Preference shares classified as equity			<u>85</u>	<u>85</u>
Total equity share capital			<u>274</u>	<u>212</u>

All share capital is denominated in sterling. The value of the shares were converted at the exchange rate at the date of issue of the last issue of shares of any class.

During the year, 61 Ordinary Shares were issued for a price of £0.0244 per share and 16 Ordinary Shares were issued for a price of £0.0064 per share, each with a nominal value of £0.0004. During the year, 117,842 Series B Shares were issued for a price of £127.18 per share, each with a nominal value of £0.0004.

14 Operating lease commitments**Lessee**

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

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
	<u>541,874</u>	<u>131,606</u>	<u>541,874</u>	<u>131,606</u>

EDUME LIMITED (CONSOLIDATED)**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021****15 Prior period adjustment****Changes to the balance sheet - group**

	Unaudited As previously reported at 31 Dec 2020	Adjustment	Unaudited As restated at 31 Dec 2020
	\$	\$	\$
Creditors due after one year			
Loans and overdrafts	(1,566,708)	(193,182)	(1,759,890)
	<u>1,566,708</u>	<u>193,182</u>	<u>1,759,890</u>
Net assets	<u>3,480,511</u>	<u>(193,182)</u>	<u>3,287,329</u>
Capital and reserves			
Share premium	6,924,586	(67,110)	6,857,476
Total equity	<u>3,354,439</u>	<u>(67,110)</u>	<u>3,287,329</u>

Changes to the profit and loss account - group

	Unaudited As previously reported	Adjustment	Unaudited As restated
	\$	\$	\$
Period ended 31 December 2020			
Continuing operations			
Turnover	1,388,770	-	1,388,770
Cost of sales	(816,121)	582,610	(233,511)
Gross profit	<u>572,649</u>	<u>582,610</u>	<u>1,155,259</u>
Administrative expenses	(2,853,912)	649,720	(2,204,192)
Other operating income	42,597	-	42,597
Operating loss	<u>(2,238,666)</u>	<u>1,232,330</u>	<u>(1,006,336)</u>
Interest payable and similar expenses	(88,915)	(193,182)	(282,097)
Loss before taxation	<u>(2,327,581)</u>	<u>1,039,148</u>	<u>(1,288,433)</u>
Taxation	<u>151,400</u>	<u>-</u>	<u>151,400</u>
Loss for the financial period	<u>(1,010,961)</u>	<u>(126,072)</u>	<u>(1,137,033)</u>

EDUME LIMITED (CONSOLIDATED)**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

15 Prior period adjustment**(Continued)****Reconciliation of changes in loss for the previous financial period**

	2020
	\$
Adjustments to prior year	
Total adjustments	(126,072)
Loss as previously reported	(1,010,961)
	<hr/>
Loss as adjusted	(1,137,033)

\$67,110 of legal costs which was expensed in prior year should have been offset against share premium along with \$193,182 adjustment to interest on other loan. Also, \$582,610 of cost of sales expenses has been reclassified as administration expenses.