



Immerse Learning Limited

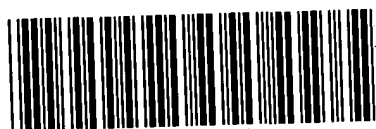
Unaudited Financial Statements

Year Ended

31 December 2019

Company Number 06612760

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Immerse Learning Limited
Registered number:06612760

Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6	24,284	18,188
		<u>24,284</u>	<u>18,188</u>
Current assets			
Debtors: amounts falling due within one year	7	492,465	526,747
Cash at bank and in hand	8	184,983	70,235
		<u>677,448</u>	<u>596,982</u>
Creditors: amounts falling due within one year	9	(860,026)	(829,917)
Net current liabilities		<u>(182,578)</u>	<u>(232,935)</u>
Total assets less current liabilities		<u>(158,294)</u>	<u>(214,747)</u>
Net liabilities		<u>(158,294)</u>	<u>(214,747)</u>
Capital and reserves			
Called up share capital	11	2,224,886	1,487,944
Share premium account		7,999,597	6,894,182
Profit and loss account		(10,382,777)	(8,596,873)
		<u>(158,294)</u>	<u>(214,747)</u>



Immerse Learning Limited
Registered number:06612760

Statement of Financial Position (continued)
As at 31 December 2019

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.

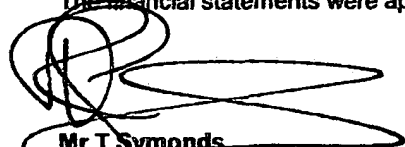
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 by:



Mr T Symonds
Director

Date: 5th August 2020

The notes on pages 4 to 11 form part of these financial statements.



Immerse Learning Limited

Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2018	845,325	5,930,254	(7,675,417)	(899,838)
Loss for the year	-	-	(921,456)	(921,456)
Shares issued during the year	642,619	963,928	-	1,606,547
At 1 January 2019	1,487,944	6,894,182	(8,596,873)	(214,747)
Loss for the year	-	-	(1,785,904)	(1,785,904)
Shares issued during the year	736,942	1,105,415	-	1,842,357
At 31 December 2019	2,224,886	7,999,597	(10,382,777)	(158,294)

The notes on pages 4 to 11 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

1. General information

These financial statements are presented in Pound Sterling (GBP), as that is the currency in which the all of the Company's transactions are denominated. They comprise the financial statements of the Company for the year ended 31 December 2019 and present to the nearest pound.

The Company has determined that the (GBP) is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates.

The Company's principal activity is the provision of an internet based language learning service.

The Company is a United Kingdom company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office is Unit 318 16-16a Baldwins Gardens, London, England, EC1N 7RJ.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The accounts have been prepared on a going concern basis having regard to the future trading performance of the Company and continued financial support from its shareholders.

The directors continually monitor the financial conditions of the Company and have, in their opinion, made available sufficient funding to enable the Company to trade through to 31 December 2020.

The directors of the Company are currently assessing the impact of COVID-19. The Company successfully transitioned to full working from home with no impact to productivity. The Companies believes that it's product offerings of a Virtual reality Platform for enterprises is one that will continue to see and increase in demand as the business world adjusts to less travel and remote working from home practices. The Company has also completed in May a further round of investing for £1.6m from its current shareholders.

2. Accounting policies (continued)**2.3 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.

2.4 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.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.6 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.

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.

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.8 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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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 reporting 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 Statement of Financial Position 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 reporting date.

2.10 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 December 2019**

2. Accounting policies (continued)

2.10 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:

Equipment	- 15-33% straight-line
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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 the Statement of Comprehensive Income.

2.11 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.

2.12 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.

2.13 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.

2.14 Financial instruments

Financial instruments are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Classification

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

2. Accounting policies (continued)

2.14 Financial instruments (continued)

Subsequent measurement

Loans and receivables are measured at amortised cost, using the effective interest method. Trade debtors and trade payables are recognised at the undiscounted amount owed by the customer or to the supplier, which is normally the invoice amount.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Due to the simplicity of the Company's transaction streams and year-end financial position, the directors consider there to be no critical judgements, estimates or assumptions in the preparation of these financial statements.

4. Other operating income

	2019 £	2018 £
Research and development tax credit	<u>193,097</u>	<u>119,887</u>

5. Employees

The average monthly number of employees, including directors, during the year was 22 (2018 -19).

Notes to the Financial Statements For the Year Ended 31 December 2019

6. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2019	67,899
Additions	18,959
At 31 December 2019	<u>86,858</u>
Depreciation	
At 1 January 2019	49,711
Charge for the year on owned assets	12,863
At 31 December 2019	<u>62,574</u>
Net book value	
At 31 December 2019	<u>24,284</u>
At 31 December 2018	<u>18,188</u>

7. Debtors

	2019 £	2018 £
Trade debtors	111,429	326,152
Other debtors	142,016	33,906
Prepayments and accrued income	22,435	46,928
Corporation tax repayable	191,863	119,761
VAT repayable	24,722	-
	<u>492,465</u>	<u>526,747</u>

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>184,983</u>	<u>70,235</u>

Notes to the Financial Statements For the Year Ended 31 December 2019

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	184,139	263,148
Other taxation and social security	62,661	38,404
Other creditors (note 13)	355,901	317,585
Accruals and deferred income	257,325	210,780
	<u>860,026</u>	<u>829,917</u>

10. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>184,983</u>	<u>70,235</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

11. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
188,963,027 (2018 -127,668,294) Ordinary shares of £0.01 each	1,889,630	1,276,683
33,525,636 (2018 -21,126,073) Preferred shares of £0.01 each	335,256	211,261
	<u>2,224,886</u>	<u>1,487,944</u>

During the year 61,294,733 Ordinary shares with a nominal value of £0.01 were issued at a premium of £0.25 per share. 12,076,073 Preference shares with a nominal value of £0.01 were issued at a premium of £0.25 per share.

A total of £1,105,415 has been recognised in a share premium reserve.

12. 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 £52,328 (2018: £31,855). Contributions totalling £21,382 (2018: £14,411) were payable to the fund at the reporting date.

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

13. Related party transactions

During the year, the Company received loans from directors totalling £Nil (2018: £Nil). The loans bear interest at 10% and 20%, totalling £7,578 in the year (2018: £20,207). The Company repaid £Nil during the year (2018: £Nil), and at the year end the Company owed £53,042 (2018: £45,466), included within other creditors.

During the year, the Company issued debentures to directors totalling £Nil (2018: £1,000). The debentures bear interest at 2.5% per month compound, totalling £10,400 in the year (2018: £12,629). The Company converted to shares £Nil during the year (2018: £1,042), and at the year end the Company owed £162,116 (2018: £118,120), included within other creditors.

During the year, the Company issued debentures to shareholders totalling £Nil (2018: £Nil). The debentures bear interest at 2.5% per month compound, totalling £5,520 in the year (2018: £18,983). The Company converted to shares £Nil during the year (2018: £140,593), and at the year end the Company owed £86,388 (2018: £114,465), included within other creditors.

The amounts outstanding are unsecured and will be settled in cash.

14. Post balance sheet events

The Company successfully transitioned to full working from home with no impact to productivity. The Companies believes that it's product offerings of a Virtual reality Platform for enterprises is one that will continue to see and increase in demand as the business world adjusts to less travel and remote working from home practices. The Company has also completed in May 2020 a further round of investing for £1.6m from its current shareholders.