

Firefly Learning Limited

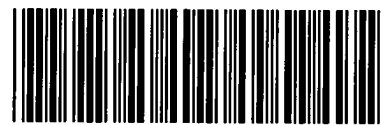
Unaudited Financial Statements

Year Ended

31 October 2022

Company Number 10115230

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Firefly Learning Limited

Registered number: 10115230

Statement of Financial Position As at 31 October 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Goodwill	6	281,096	352,733
Negative goodwill	6	-	(49,669)
Total goodwill		281,096	303,064
Other intangible assets	6	905,768	1,210,232
Total intangible assets	6	1,186,864	1,513,296
Tangible fixed assets	7	25,259	44,784
Fixed asset investments	8	59	59
		1,212,182	1,558,139
Current assets			
Debtors: amounts falling due within one year	9	1,685,860	1,996,896
Cash at bank and in hand		643,988	835,804
		2,329,848	2,832,700
Creditors: amounts falling due within one year	10	(4,948,970)	(4,951,550)
Net current liabilities		(2,619,122)	(2,118,850)
Total assets less current liabilities		(1,406,940)	(560,711)
Creditors: amounts falling due after more than one year	11	(794,623)	(1,076,222)
Net liabilities		(2,201,563)	(1,636,933)
Capital and reserves			
Called up share capital	12	164	164
Share premium account		10,132,593	10,132,593
Profit and loss account		(12,334,320)	(11,769,690)
Shareholders' deficit		(2,201,563)	(1,636,933)

Firefly Learning Limited

Registered number:10115230

Statement of Financial Position (continued) As at 31 October 2022

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



A Random 30 October 2023
Director

The notes on pages 4 to 20 form part of these financial statements.

Firefly Learning Limited

Statement of Changes in Equity For the Year Ended 31 October 2022

	Called up share capital	Share premium account	Profit and loss account	Total deficit
	£	£	£	£
At 1 November 2021 (as previously stated)	164	10,132,593	(11,422,956)	(1,290,199)
Prior period adjustment (note 4)	-	-	(346,734)	(346,734)
At 1 November 2021 (as restated)	164	10,132,593	(11,769,690)	(1,636,933)
Comprehensive loss for the year				
Loss for the year	-	-	(564,630)	(564,630)
Total comprehensive loss for the year	-	-	(564,630)	(564,630)
At 31 October 2022	164	10,132,593	(12,334,320)	(2,201,563)

The notes on pages 4 to 20 form part of these financial statements.

Statement of Changes in Equity For the Period Ended 31 October 2021

	Called up share capital	Share premium account	Profit and loss account	Total deficit
	£	£	£	£
At 1 May 2021 (as previously stated)	164	10,132,593	(10,740,045)	(607,288)
Prior year adjustment (note 4)	-	-	(159,202)	(159,202)
At 1 May 2021 (as restated)	164	10,132,593	(10,899,247)	(766,490)
Comprehensive loss for the period				
Loss for the period (as restated)	-	-	(870,443)	(870,443)
Total comprehensive loss for the period	-	-	(870,443)	(870,443)
At 31 October 2021	164	10,132,593	(11,769,690)	(1,636,933)

The notes on pages 4 to 20 form part of these financial statements.

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

1. General information

Firefly Learning Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page.

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 financial statements for the comparative period were made up for the 6 month period ended 31 October 2021. Values are rounded to the nearest pound.

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

The following principal accounting policies have been applied:

2.2 Going concern

These financial statements have been prepared on the going concern basis. The directors have reviewed the Company's going concern position taking account its current business activities, budgeted performance and the factors likely to affect its future development.

The directors have prepared cashflow forecasts covering a period of 12 months from the date of approval of these financial statements. These forecasts include a number of scenarios taking into account the Company's performance. As a consequence the board believes that the Company is well placed to manage its business risks, and longer term strategic objectives, successfully. Accordingly, the Company continues to adopt the going concern basis.

2.3 Consolidation exemption

The Company is a parent undertaking of a small group and, as such, is not required by the Companies Act 2006 to prepare group accounts. Therefore, these financial statements present information about the Company as an individual undertaking and not about its group.

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

2. Accounting policies (continued)

2.4 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All foreign exchange gains and losses are presented in profit or loss within administrative expenses.

2.5 Turnover

Turnover represents amounts receivable for goods and services net of VAT. The total turnover of the Company for the period has been derived from its principal activities. Turnover is recognised when the service is delivered. The services are billed in advance and the turnover is deferred and released to profit or loss on a monthly basis as the service is provided.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

2.7 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.

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

2. Accounting policies (continued)

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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Operating leases: the Company as lessee

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

2.10 Taxation

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 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 reporting 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.

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

2. Accounting policies (continued)

2.11 Intangible assets

Goodwill

Goodwill represents the difference between the amounts paid on the cost of a business combination over the total acquisition date fair value of identifiable assets and liabilities acquired. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to profit or loss over its useful economic life of 5 years.

Where the fair value of identifiable assets acquired exceeds the consideration paid, negative goodwill arises. Negative goodwill is amortised to profit or loss over its useful economic life of 5 years.

Research and development costs

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 is 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 to 'administrative expenses' on a straight line basis over their expected useful economic lives of 5 years. Amortisation begins when the intangible asset is available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by management.

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

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.

Other intangible assets

Intangible assets are initially recognised at cost or fair value on business combination. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The useful economic lives of other intangible assets is 5 years.

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

2. Accounting policies (continued)

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.

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 bases:

Office equipment	- 5 years
Computer equipment	- 5 years

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 Statement of Comprehensive Income.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Impairment of fixed assets

Investments in subsidiaries and assets subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Where indicators exist for a decrease in an impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine whether all or part of the impairment loss should be reversed. An impairment loss is reversed on an individual impaired asset to the extent that it does not increase the carrying amount of the asset above the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment losses on goodwill are not reversed.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment.

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

2. Accounting policies (continued)

2.16 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.

2.17 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.

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in the case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.19 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether there are indicators of impairment of the amounts owed by group undertakings. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the group undertakings.

Other key sources of estimation uncertainty

- Fair value of intangible assets recognised on transfer of trade from subsidiary undertakings

Following the acquisition of Empetus Limited and Epraise Limited in the year ended 30 April 2021, the underlying trade of these subsidiary undertakings was transferred to the Company. This resulted in the derecognition of the cost of investments in Empetus Limited and Epraise Limited and this was replaced with identifiable intangible assets (and a resulting deferred tax liability) and goodwill. The directors determined the fair value of the intangible assets, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. Changes in these assumptions could result in a change to the fair value of intangible assets recognised and such changes could be material.

- Tangible and intangible fixed assets (see notes 6 and 7)

Intangible and tangible fixed assets are amortised/depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

4. Prior period adjustment

During the year the directors reviewed the investment carrying value and have determined that due to an immediate hive across of trade from Empetus Limited and Epraise Limited in the year ended April 2021 these acquisitions should have been treated as an acquisition of trade, but were recorded as investment additions in error. As such, an adjustment has been undertaken to redesignate the original acquisition as an intangible trade asset acquired of computer software, and the excess above the fair value of this intangible asset as goodwill. These intangible assets are amortised in line with the policies specified in the financial statements.

This has resulted in the original cost of the investment of £1,860,030 being derecognised and replaced by goodwill of £407,171, negative goodwill of £69,460 and intangible assets £1,522,319 (computer software) in the year ended 30 April 2021. The impact of the unwinding of the amortisation of the intangible assets, goodwill and negative goodwill for the year ended 30 April 2021 has resulted in a correction to the opening profit and loss account as at 1 May 2021 of £159,202 (decrease in profit and loss account). The impact of the amortisation of the intangible assets, goodwill and negative goodwill for the 6 months ended 31 October 2021 has resulted in a correction to the previously-reported loss for the financial period of £187,532 (increase in loss).

The impact of the prior period adjustment is as follows:

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

4. Prior period adjustment (continued)

	As previously stated 1 May 2021 £	Prior period adjustment 1 May 2021 £	As restated 1 May 2021 £	As previously stated 31 October 2021 £	Prior period adjustment 31 October 2021 £	As restated 31 October 2021 £
Fixed assets						
Intangible assets	-	1,700,828	1,700,828	-	1,513,296	1,513,296
Tangible fixed assets	200,076	-	200,076	44,784	-	44,784
Investments	1,860,089	(1,860,030)	59	1,860,089	(1,860,030)	59
	2,060,165	(159,202)	1,900,963	1,904,873	(346,734)	1,558,139
Current assets	3,318,403	-	3,318,403	2,832,700	-	2,832,700
Creditors: amounts falling due within one year	(4,176,081)	-	(4,176,081)	(4,951,550)	-	(4,951,550)
Net current liabilities	(857,678)	-	(857,678)	(2,118,850)	-	(2,118,850)
Total assets less current liabilities	1,202,487	(159,202)	1,043,285	(213,977)	(346,734)	(560,711)
Creditors: amounts falling due after more than one year	(1,809,775)	-	(1,809,775)	(1,076,222)	-	(1,076,222)
Net liabilities	(607,288)	(159,202)	(766,490)	(1,290,199)	(346,734)	(1,636,933)
Capital and reserves	(607,288)	(159,202)	(766,490)	(1,290,199)	(346,734)	(1,636,933)
Shareholders' deficit	(607,288)	(159,202)	(766,490)	(1,290,199)	(346,734)	(1,636,933)

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

4. Prior period adjustment (continued)

	As previously stated 31 October 2021 £	Prior period adjustment 31 October 2021 £	As restated 31 October 2021 £
Turnover	2,406,701	-	2,406,701
Cost of sales	(736,766)	-	(736,766)
	<hr/>	<hr/>	<hr/>
	1,669,935	-	1,669,935
Administrative expenses	(2,595,177)	(187,532)	(2,782,709)
Other operating income	47,493	-	47,493
	<hr/>	<hr/>	<hr/>
Operating profit	(877,749)	(187,532)	(1,065,281)
Interest payable and similar charges	(71,887)	-	(71,887)
Taxation	266,725	-	266,725
	<hr/>	<hr/>	<hr/>
Loss on ordinary activities after taxation and for the financial period	<u>(682,911)</u>	<u>(187,532)</u>	<u>(870,443)</u>

5. Employees

The average monthly number of employees, including directors, during the year was 60 (6 months ended 31 October 2021 - 63).

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

6. Intangible assets

	Development expenditure £	Trademarks £	Computer software £	Goodwill £	Negative goodwill £	Total £
Cost						
At 1 November 2021 (as previously stated)	70,077	1,172,408	-	-	-	1,242,485
Prior period adjustment	-	-	1,522,319	407,171	(69,460)	1,860,030
At 1 November 2021 (as restated)	70,077	1,172,408	1,522,319	407,171	(69,460)	3,102,515
Additions	-	-	-	-	45,574	45,574
Foreign exchange movement	-	-	-	(23,886)	23,886	-
At 31 October 2022	70,077	1,172,408	1,522,319	383,285	-	3,148,089

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

6. Intangible assets (continued)

Amortisation

At 1 November 2021 (as previously stated)	70,077	1,172,408	-	-	-	1,242,485
Prior period adjustment	-	-	312,087	54,438	(19,791)	346,734
At 1 November 2021 (as restated)	70,077	1,172,408	312,087	54,438	(19,791)	1,589,219
Charge for the year	-	-	304,464	81,434	(13,892)	372,006
Foreign exchange movement	-	-	-	(33,683)	33,683	-
At 31 October 2022	70,077	1,172,408	616,551	102,189	-	1,961,225
Net book value						
At 31 October 2022	-	-	905,768	281,096	-	1,186,864
At 31 October 2021 (as restated)	-	-	1,210,232	352,733	(49,669)	1,513,296

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

7. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 November 2021	240,501	177,034	417,535
Additions	-	7,797	7,797
Disposals	(240,501)	-	(240,501)
At 31 October 2022	-	184,831	184,831
Depreciation			
At 1 November 2021	239,740	133,011	372,751
Charge for the year	761	26,561	27,322
Disposals	(240,501)	-	(240,501)
At 31 October 2022	-	159,572	159,572
Net book value			
At 31 October 2022	-	25,259	25,259
At 31 October 2021	761	44,023	44,784

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

8. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 November 2021 (as previously stated)	1,860,089
Prior period adjustment	(1,860,030)
	<hr/>
At 1 November 2021 (as restated)	59
	<hr/>
At 31 October 2022	<u>59</u>

In the year ended 30 April 2021, the Company acquired 100% of the shares of both Empetus Limited and Epraise Limited for a combined purchase price of £1,860,030, plus an additional £45,574 of contingent consideration payable for Empetus Limited that crystallised during the 6 month period ended 31 October 2022. Following a group reconstruction in the few months following the acquisition, also within the year ended 30 April 2021, the underlying trade of both the acquired subsidiaries was transferred to the Company. This resulted in the derecognition of the cost of the investments in Empetus Limited and Epraise Limited of £1,860,030. This was replaced by goodwill of £407,171, negative goodwill of £69,460 and intangible assets (computer software) of £1,522,319. As detailed in note 4, this transfer of trade had not previously been correctly reflected in the financial statements for the year ended 30 April 2021 and therefore has been shown as a prior period adjustment in the financial statements for the year ended 31 October 2022.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Firefly Learning PTE	531 A Upper Cross Street, 04 - 95 Hong Lim Complex, Singapore 051531	The provision of education support activities	Ordinary	100%
Firefly Learning PTY Limited	Newton & Henry PTY Ltd Level 2, 33 George Street, Launceston, TAS 7250 Australia	The provision of education support activities	Ordinary	100%
Epraise Limited	Firefly Learning Ltd, New City Court, 20 St. Thomas Street, London, SE1 9RS.	Non-trading	Ordinary	100%
Empetus Limited	1 Orwell House, Cowley Road, Cambridge, Cambridgeshire, CB4 0PP	Non-trading	Ordinary	100%

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

9. Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	550,745	175,800
Amounts owed by group undertakings	1,015,284	610,614
Other debtors	286	177,533
Prepayments and accrued income	119,545	134,898
Tax recoverable	-	898,051
	<u>1,685,860</u>	<u>1,996,896</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans (see note 14)	183,333	733,333
Other loans	98,266	-
Trade creditors	147,374	141,586
Contingent consideration	-	321,377
Amounts owed to group undertakings	484,178	-
Other taxation and social security	361,228	298,271
Other creditors	49,841	108,884
Accruals and deferred income	3,624,750	3,348,099
	<u>4,948,970</u>	<u>4,951,550</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

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

	2022 £	2021 £
Bank loans	-	183,333
Other loans	794,623	892,889
	<u>794,623</u>	<u>1,076,222</u>

On 24 October 2017 the company entered into a loan agreement with Silicon Valley Bank. The agreement consisted of a term loan in the amount of £1,500,000. The loan amount was renegotiated with the bank in July 2019 and increased to £2,200,000. The final payment remains due on 31 December 2022 and was paid subsequent to the reporting date. In accordance with the loan agreement the principal amounts outstanding under the Term Loan shall accrue interest at the rate being the aggregate of the Sterling Base Rate and 9.75% per annum.

The loan from Silicon Valley Bank is secured by a fixed and floating charge over all the property and assets of the Company.

On 21 October 2019 the Company entered into an agreement with Innovate UK Loans Limited for a total of £892,889 to be gradually drawn down over the first two years of the agreement. Loan repayments become due from June 2023 and the loan attracts a fixed interest rate of 3.7% for the duration of the agreement.

The loan from Innovate UK Loans Limited is secured by a fixed and floating charge over all the property and assets of the Company.

There are no loan amounts included above that are repayable other than by instalments and in more than five years.

On 6 February 2023, subsequent to the reporting date and after the company's acquisition by Veracross LLC, Veracross LLC repaid the Silicon Valley Bank loan on behalf of the company.

Firefly Learning Limited

Notes to the Financial Statements For the Year Ended 31 October 2022

12. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,037,544 (2021 - 1,037,544) Ordinary shares shares of £0.0001 each	104	104
312,502 (2021 - 312,502) A Ordinary shares shares of £0.0001 each	31	31
294,723 (2021 - 294,723) C Ordinary shares shares of £0.0001 each	29	29
	<u>164</u>	<u>164</u>

13. Contingent liabilities

In April 2022 the Company submitted an R&D tax claim to HMRC of £266,725. Although this has been paid by HMRC, there remains an open enquiry. The directors remain confident that this claim is valid, although acknowledge that there remains some uncertainty as to whether this may need to be repaid, and consequently have not provided for this amount.

14. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £19,949 (2021 - £49,246) were payable to the fund at the reporting date and are included in creditors.

15. Related party transactions and controlling party

The Company has taken advantage of the exemption conferred by FRS 102 s.33.1A not to disclose transactions with other wholly owned members of the group.

As at the reporting date, the Company is not consolidated in the results of any other entity and there is no controlling party.

16. Subsequent events

On 31 January 2023, Firefly Learning Limited was acquired by Firefly Bidco Limited, a company incorporated in the United Kingdom. Its parent entity is Veracross LLC, whose registered office address is 401 Edgewater Place, Suite 360, Wakefield, MA 01880 U.S.A.