

Firefly Learning Limited

Directors' Report and Financial Statements

Period Ended

31 October 2021

Company Number 10115230

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Firefly Learning Limited

Company Information

Directors	J J Mathewson S J E Hay S J Calver G J Jones C C Allner L J Edis
Registered number	10115230
Registered office	20 St. Thomas Street London SE1 9RS
Independent auditor	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

Firefly Learning Limited

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Firefly Learning Limited

Directors' Report For the Period Ended 31 October 2021

The directors present their report and the financial statements for the 6 month period ended 31 October 2021. The financial statements for the comparative period were prepared for the 12 months ended 30 April 2021. The directors have changed the accounting period end to more closely align with the academic year.

Principal activity

The principal activity of the company is the provision of educational support software platforms.

Business review

Firefly is a market-leading learning experience platform that supports learning and parent engagement in schools and supercharges the student experience. We have a loyal customer base in the UK and internationally, including 74 of the Top 100 UK independent schools. The pandemic has made hybrid learning and parent engagement a priority for schools, driving market growth. We believe Firefly is well positioned to benefit and become the one-stop-shop for learning and parent engagement, capitalising on a highly fragmented market. Firefly addresses a £2.4B global market that is being disrupted by technology, with strong growth opportunities both in our currently served markets and beyond.

We have changed our accounting period to be more closely aligned with the academic year, but have made good progress in the six months since our last report.

We have continued to integrate the SchoolPost and Epraise products and teams into the wider business, leading to accelerated success for both platforms. SchoolPost now serves more than twice as many schools as it did when it joined Firefly, partly thanks to our established relationships with senior school decision makers, and our clients benefit from better joined-up solutions.

We have completed our migration to a flexible, modern cloud architecture that is hosted in Microsoft Azure and built to scale. This entailed temporary additional infrastructure costs while we maintained two platforms in parallel, but our new approach allows for cost optimisation with scale as well as improving performance and reliability. Our strategic partnership and deep integration with Microsoft simplifies the purchasing decision for schools and unlocks joint go-to-market opportunities to accelerate growth.

We've expanded our team in Singapore to focus on the APAC region, and continue to develop our hub in Northern Ireland. Our flexible approach allows our fantastic team to work in ways and from places that suit their lives.

All of these initiatives have helped us on our planned path to profitability through sustained growth and efficiencies of scale, and these trends have continued since year end.

We want to thank the whole Firefly team, without whose hard work and dedication none of this would be possible. We're also grateful for the support of BGF, Beringea, Downing, Silicon Valley Bank and Innovate UK, and the trust of the clients we serve. We look forward to helping improve learning experiences for many more students together in the years to come.

Firefly Learning Limited

Directors' Report (continued) For the Period Ended 31 October 2021

Directors

The directors who served during the period were:

J J Mathewson
S J E Hay
S J Calver
G J Jones
C C Allner
L J Edis
L F Cockburn (resigned 13 January 2022)

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 these results. These forecasts include a number of scenarios taking into account the group'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 group continues to adopt the going concern basis.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which are made during the period and remain in force at the date of this report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Firefly Learning Limited

Directors' Report (continued) For the Period Ended 31 October 2021

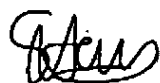
Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

28 March 2022

and signed on its behalf.



S J E Hay
Director

Firefly Learning Limited

Directors' Responsibilities Statement For the Period Ended 31 October 2021

The directors are responsible for preparing the Directors' 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 group and company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Firefly Learning Limited

Registered number: 10115230

Consolidated Statement of Financial Position As at 31 October 2021

	Note	31 October 2021 £	31 October 2021 £	30 April 2021 £	30 April 2021 £
Fixed assets					
Goodwill		224,228		250,089	
Negative goodwill		(74,053)		(84,386)	
Net goodwill		150,175		165,703	
Other intangible assets		1,211,674		1,363,906	
Intangible assets	6		1,361,849		1,529,609
Tangible assets	7		51,213		206,669
			1,413,062		1,736,278
Current assets					
Debtors: amounts falling due within one year	9	1,453,530		1,569,552	
Cash at bank and in hand		1,059,523		1,452,491	
		2,513,053		3,022,043	
Creditors: amounts falling due within one year	10	(5,267,920)		(4,648,997)	
Net current liabilities			(2,754,867)		(1,626,954)
Total assets less current liabilities			(1,341,805)		109,324
Creditors: amounts falling due after more than one year	11		(1,076,222)		(1,809,775)
Provisions for liabilities					
Net liabilities			(2,418,027)		(1,700,451)
Capital and reserves					
Called up share capital	13		164		164
Share premium account	14		10,132,593		10,132,593
Profit and loss account	14		(12,550,784)		(11,833,208)
Shareholders' deficit			(2,418,027)		(1,700,451)

Firefly Learning Limited

Registered number: 10115230

Consolidated Statement of Financial Position (continued) As at 31 October 2021

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 group has opted not to file the consolidated 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



S J E Hay
Director

The notes on pages 11 to 27 form part of these financial statements.

Firefly Learning Limited

Registered number: 10115230

Company Statement of Financial Position As at 31 October 2021

	Note	31 October 2021 £	31 October 2021 £	30 April 2021 £	30 April 2021 £
Fixed assets					
Tangible assets	7		44,784		200,076
Investments	8		1,860,089		1,860,089
			<u>1,904,873</u>		<u>2,060,165</u>
Current assets					
Debtors: amounts falling due within one year	9	1,996,896		2,163,218	
Cash at bank and in hand		835,804		1,155,185	
		<u>2,832,700</u>		<u>3,318,403</u>	
Creditors: amounts falling due within one year	10	(4,951,550)		(4,176,081)	
Net current liabilities			<u>(2,118,850)</u>		<u>(857,678)</u>
Total assets less current liabilities			<u>(213,977)</u>		<u>1,202,487</u>
Creditors: amounts falling due after more than one year	11		(1,076,222)		(1,809,775)
Net liabilities			<u><u>(1,290,199)</u></u>		<u><u>(607,288)</u></u>

Firefly Learning Limited

Registered number: 10115230

Company Statement of Financial Position (continued) As at 31 October 2021

	Note	31 October 2021 £	30 April 2021 £
Capital and reserves			
Called up share capital	13	164	164
Share premium account	14	10,132,593	10,132,593
Profit and loss account	14	(11,422,956)	(10,740,045)
Shareholders' deficit		<u>(1,290,199)</u>	<u>(607,288)</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent company for the period was £682,911 (Year ended 30 April 2021 - £1,857,724).

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the 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



S J E Hay
Director

The notes on pages 11 to 27 form part of these financial statements.

Firefly Learning Limited

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

	Called up share capital	Share premium account	Profit and loss account	Shareholders' deficit
	£	£	£	£
At 1 May 2021	164	10,132,593	(11,833,208)	(1,700,451)
Comprehensive loss for the period				
Loss for the period	-	-	(734,655)	(734,655)
Foreign exchange translation gain	-	-	17,079	17,079
Other comprehensive income for the period	-	-	17,079	17,079
Total comprehensive loss for the period	-	-	(717,576)	(717,576)
At 31 October 2021	164	10,132,593	(12,550,784)	(2,418,027)

Consolidated Statement of Changes in Equity For the Year Ended 30 April 2021

	Called up share capital	Share premium account	Profit and loss account	Shareholders' deficit
	£	£	£	£
At 1 May 2020	160	9,632,511	(9,951,733)	(319,062)
Comprehensive loss for the year				
Loss for the year	-	-	(1,792,642)	(1,792,642)
Foreign exchange translation loss	-	-	(88,833)	(88,833)
Other comprehensive loss for the year	-	-	(88,833)	(88,833)
Total comprehensive loss for the year	-	-	(1,881,475)	(1,881,475)
Contributions by and distributions to owners				
Shares allotted during the year	4	500,082	-	500,086
Total transactions with owners	4	500,082	-	500,086
At 30 April 2021	164	10,132,593	(11,833,208)	(1,700,451)

The notes on pages 11 to 27 form part of these financial statements.

Firefly Learning Limited

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

	Called up share capital	Share premium account	Profit and loss account	Shareholders' deficit
	£	£	£	£
At 1 May 2021	164	10,132,593	(10,740,045)	(607,288)
Comprehensive loss for the period				
Loss for the period	-	-	(682,911)	(682,911)
Total comprehensive loss for the period	-	-	(682,911)	(682,911)
At 31 October 2021	164	10,132,593	(11,422,956)	(1,290,199)

Company Statement of Changes in Equity For the Year Ended 30 April 2021

	Called up share capital	Share premium account	Profit and loss account	Shareholders' deficit
	£	£	£	£
At 1 May 2020	160	9,632,511	(8,882,321)	750,350
Comprehensive loss for the year				
Loss for the year	-	-	(1,857,724)	(1,857,724)
Total comprehensive loss for the year	-	-	(1,857,724)	(1,857,724)
Contributions by and distributions to owners				
Shares redeemed during the year	4	500,082	-	500,086
Total transactions with owners	4	500,082	-	500,086
At 30 April 2021	164	10,132,593	(10,740,045)	(607,288)

The notes on pages 11 to 27 form part of these financial statements.

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

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 preparation of financial statements in compliance with FRS 102 Section 1A requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The financial statements for the comparative period were made up for the year ended 30 April 2021. In order to more closely align with the academic year the directors have changed the accounting period end to 31 October and the accounts for the current period have therefore been prepared for the 6 month period ended 31 October 2021.

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 these results. These forecasts include a number of scenarios taking into account the group'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 group continues to adopt the going concern basis.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Deferred contingent consideration is fair valued at the acquisition date, as the best estimate of amount payable, and goodwill increased accordingly. Any changes in the fair value of deferred contingent consideration, at each reporting period-end and upon settlement, are recognised in administrative expenses, in the Consolidated Statement of Comprehensive Income.

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

2. Accounting policies (continued)

2.3 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical.

2.4 Turnover

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

2.5 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 the Consolidated Statement of Comprehensive Income 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 the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Finance costs

Finance costs are charged to the Consolidated 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.

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

2. Accounting policies (continued)

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. 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 the Consolidated Statement of Comprehensive Income over its useful economic life.

Where the fair value of assets acquired exceeds the consideration paid, negative goodwill arises. Negative goodwill is unwound on the same basis as goodwill.

The useful economic life of goodwill has been estimated at 5 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life *cannot be made, the useful life shall not exceed ten years.*

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The company assesses at each reporting date whether tangible fixed assets are impaired.

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.

The estimated useful lives range as follows:

Office equipment	- 5 years
Computer equipment	- 5 years
Leasehold improvements	- 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 the Consolidated Statement of Comprehensive Income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

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

2.11 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.

2.12 Financial instruments

The group 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.

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

2. Accounting policies (continued)

2.12 Financial instruments (continued)

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 the Consolidated Statement of Comprehensive Income.

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 group 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 Consolidated 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.

2.13 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.

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

2. Accounting policies (continued)

2.14 Foreign currency translation

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 the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'Administrative expenses'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.15 Operating leases: the group as lessee

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

2.16 Operating leases: the group as lessor

Rental income from operating leases is credited to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.17 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the group in independently administered funds.

2.18 Research and development

Research and development costs are charged to the Consolidated Statement of Comprehensive Income as they are incurred and not capitalised.

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

2. Accounting policies (continued)

2.19 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated 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 and the group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 Period Ended 31 October 2021

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

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

- Determine whether leases entered into by the company either as a lesser or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's intangible and tangible 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.

Other key sources of estimation uncertainty

- Intangible and tangible fixed assets (see note 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.

4. Statutory audit

An audit of the group's financial statements was carried out by BDO LLP as statutory auditor who reported to the group's members on 28 March 2022. The auditor's report was signed by Owen Pettifor as senior statutory auditor and was unqualified.

5. Employees

The average monthly number of employees, including the directors, during the period/year was as follows:

	Group 6 months ended 31 October 2021 No.	Group 12 months ended 30 April 2021 No.	Company 6 months ended 31 October 2021 No.	Company 12 months ended 30 April 2021 No.
Employees	69	67	63	61

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

6. Intangible assets

Group

	Development expenditure £	Trademarks £	Computer software £	Goodwill £	Negative goodwill £	Total £
Cost						
At 1 May 2021	70,077	1,172,408	1,522,320	497,758	(103,330)	3,159,233
At 31 October 2021	70,077	1,172,408	1,522,320	497,758	(103,330)	3,159,233
Amortisation						
At 1 May 2021	70,077	1,172,408	158,414	247,669	(18,944)	1,629,624
Charge/(credit) for the year	-	-	152,232	25,861	(10,333)	167,760
At 31 October 2021	70,077	1,172,408	310,646	273,530	(29,277)	1,797,384
Net book value						
At 31 October 2021	-	-	1,211,674	224,228	(74,053)	1,361,849
At 30 April 2021	-	-	1,363,906	250,089	(84,386)	1,529,609

During the prior year, the group acquired two companies Empetus Limited and Epraise Limited. As part of these transactions the group also obtained the rights to each entities software. These intangible assets have been recognised at fair value at the date of acquisition. The fair value recognised at the date of acquisition was £1,522,320. These intangible assets have been amortised over their useful economic lives inline with the accounting policies.

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

6. Intangible assets (continued)

Company

	Development expenditure £	Trademarks £	Total £
Cost			
At 1 May 2021	70,077	1,172,408	1,242,485
At 31 October 2021	70,077	1,172,408	1,242,485
Amortisation			
At 1 May 2021	70,077	1,172,408	1,242,485
At 31 October 2021	70,077	1,172,408	1,242,485
Net book value			
At 31 October 2021	-	-	-
At 30 April 2021	-	-	-

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

7. Tangible fixed assets

Group

	Office equipment £	Computer equipment £	Leasehold improvements £	Total £
Cost				
At 1 May 2021	256,902	176,809	335,556	769,267
Additions	-	8,522	-	8,522
Disposals	-	-	(335,556)	(335,556)
Exchange adjustments	(63)	(282)	-	(345)
At 31 October 2021	256,839	185,049	-	441,888
Depreciation				
At 1 May 2021	226,868	124,231	211,499	562,598
Charge for the period	23,959	15,798	33,555	73,312
Disposals	-	-	(245,054)	(245,054)
Exchange adjustments	10	(191)	-	(181)
At 31 October 2021	250,837	139,838	-	390,675
Net book value				
At 31 October 2021	6,002	45,211	-	51,213
At 30 April 2021	30,034	52,578	124,057	206,669

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

7. Tangible fixed assets (continued)

Company

	Office equipment £	Computer equipment £	Leasehold improvements £	Total £
Cost				
At 1 May 2021	240,501	168,512	335,556	744,569
Additions	-	8,522	-	8,522
Disposals	-	-	(335,556)	(335,556)
At 31 October 2021	240,501	177,034	-	417,535
Depreciation				
At 1 May 2021	215,781	117,213	211,499	544,493
Charge for the period	23,959	15,798	33,555	73,312
Disposals	-	-	(245,054)	(245,054)
At 31 October 2021	239,740	133,011	-	372,751
Net book value				
At 31 October 2021	761	44,023	-	44,784
At 30 April 2021	24,720	51,299	124,057	200,076

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

8. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 May 2021 and 31 October 2021	<u><u>1,860,089</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Firefly Learning PTE	The provision of educational support activities.	Ordinary	100%
Firefly Learning PTY Limited	The provision of educational support activities.	Ordinary	100%
Epraise Limited	The provision of educational support activities.	Ordinary	100%
Empetus Limited	The provision of educational support activities.	Ordinary	100%

The registered office address for Firefly Learning PTE is 531A Upper Cross Street, 04 - 95 Hong Lim Complex, Singapore 051531.

The registered office address for Firefly Learning PTY Limited is Newton & Henry PTY Ltd Level 2, 33 George Street, Launceston, TAS 7250 Australia.

The registered office address for Epraise Limited is 28 Alexandra Terrace, Exmouth, Devon, EX8 1BD.

The registered office address for Empetus Limited is 1 Orwell House, Cowley Road, Cambridge, Cambridgeshire, CB4 0PP.

Empetus Limited (registered number 04042780) and Epraise Limited (registered number 08778304) are exempt from the requirement of the Companies Act 2006 relating to the audit of their individual financial statements for the years ended 31 July 2021 and 31 December 2021 respectively by virtue of section 479A of that Act. The company has provided each of these subsidiaries with a guarantee under section 479C of the Act thereby undertaking to guarantee all outstanding liabilities to which each subsidiary company is subject at the end of the financial year. At 31 July 2021, the aggregate net liabilities for Empetus Limited amounted to £145,388. At 31 December 2021, the aggregate net liabilities for Epraise Limited amounted to £241,341.

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

9. Debtors

	Group 31 October 2021 £	Group 30 April 2021 £	Company 31 October 2021 £	Company 30 April 2021 £
Trade debtors	229,885	472,919	175,800	346,992
Amounts owed by group undertakings	-	-	610,614	731,962
Other debtors	185,023	181,079	177,533	176,179
Prepayments and accrued income	140,571	284,228	134,898	276,759
Tax recoverable	898,051	631,326	898,051	631,326
	<u>1,453,530</u>	<u>1,569,552</u>	<u>1,996,896</u>	<u>2,163,218</u>

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

All amounts fall due within one year.

10. Creditors: amounts falling due within one year

	Group 31 October 2021 £	Group 30 April 2021 £	Company 31 October 2021 £	Company 30 April 2021 £
Bank loans	733,333	733,333	733,333	733,333
Trade creditors	152,299	312,404	141,586	309,528
Other taxation and social security	336,981	247,527	298,271	197,072
Other creditors	121,698	210,476	108,884	207,902
Accruals and deferred income	3,602,232	2,820,766	3,348,099	2,403,755
Deferred consideration	-	104,491	-	104,491
Contingent consideration	321,377	220,000	321,377	220,000
	<u>5,267,920</u>	<u>4,648,997</u>	<u>4,951,550</u>	<u>4,176,081</u>

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

Details of bank loans are provided in note 11.

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

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

	Group 31 October 2021 £	Group 30 April 2021 £	Company 31 October 2021 £	Company 30 April 2021 £
Bank loans	1,076,222	1,442,889	1,076,222	1,442,889
Contingent consideration	-	366,886	-	366,886
	<u>1,076,222</u>	<u>1,809,775</u>	<u>1,076,222</u>	<u>1,809,775</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. 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.

On 21 October 2019 the company entered into an agreement with Innovate UK 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 Innovate UK loan is secured by a fixed and floating charge over all the property and undertakings of the group.

12. Loans

Analysis of the maturity of loans given below:

	Group 31 October 2021 £	Group 30 April 2021 £	Company 31 October 2021 £	Company 30 April 2021 £
Amounts falling due within one year				
Bank loans	733,333	733,333	733,333	733,333
Amounts falling due 1-2 years				
Bank loans	227,977	1,442,889	227,977	1,442,889
Amounts falling due 2-5 years				
Bank loans	848,245	-	848,245	-
	<u>1,809,555</u>	<u>2,176,222</u>	<u>1,809,555</u>	<u>2,176,222</u>

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

13. Share capital

	31 October 2021 £	30 April 2021 £
Allotted, called up and fully paid		
1,037,544 (30 April 2021 - 1,037,544) Ordinary shares of £0.0001 each	104	104
312,502 (30 April 2021 - 312,502) A Ordinary shares of £0.0001 each	31	31
294,723 (30 April 2021 - 294,723) C Ordinary shares of £0.0001 each	29	29
	<u>164</u>	<u>164</u>

Ordinary, A Ordinary and C Ordinary shares have full rights in the company with respect to voting, dividends and distributions.

14. Reserves

The group and company's reserves are as follows:

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

15. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £49,761 (Year ended 30 April 2021 - £105,288). Contributions totalling £49,246 (30 April 2021 - £27,933) were payable to the fund at the reporting date and are included in creditors.

16. Commitments under operating leases

At each reporting date the group and the company had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Group 31 October 2021 £	Group 30 April 2021 £	Company 31 October 2021 £	Company 30 April 2021 £
Not later than 1 year	-	105,950	-	105,950
	<u>-</u>	<u>105,950</u>	<u>-</u>	<u>105,950</u>

Firefly Learning Limited

Notes to the Financial Statements For the Period Ended 31 October 2021

17. Commitments due from operating leases

At each reporting date the group and the company had future minimum lease receivables due under non-cancellable operating leases for each of the following periods:

	Group 31 October 2021 £	Group 30 April 2021 £	Company 31 October 2021 £	Company 30 April 2020 £
Not later than 1 year	-	54,816	-	54,816
Later than 1 year and not later than 5 years	-	-	-	-
	-	54,816	-	54,816

18. Related party transactions

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.

19. Controlling party

In the opinion of the directors there is no ultimate controlling party of Firefly Learning Limited. Firefly Learning Limited is not included in the consolidated financial statements of any other group.