

## **Firefly Learning Limited**

Financial Statements

Period Ended

30 April 2017

Company Number 10115230

WEDNESDAY



\*L6XBJ5AG\*

LD2

10/01/2018

#66

COMPANIES HOUSE

# Firefly Learning Limited

## Company Information

---

<b>Directors</b>	J J Mathewson S J E Hay S J Calver S M Veale G J Jones H A Bell
<b>Registered number</b>	10115230
<b>Registered office</b>	100 Cambridge Grove London W6 0LE
<b>Independent auditor</b>	BDO LLP 2 City Place Beehive Ring Road Gatwick RH6 0PA

# Firefly Learning Limited

## Contents

---

	Page
<b>Consolidated Statement of Financial Position</b>	<b>1</b>
<b>Company Statement of Financial Position</b>	<b>2</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>3</b>
<b>Company Statement of Changes in Equity</b>	<b>4</b>
<b>Notes to the Financial Statements</b>	<b>5 - 17</b>

# Firefly Learning Limited

Registered number: 10115230


## Consolidated Statement of Financial Position As at 30 April 2017

	Note	2017 £	2017 £
<b>Fixed assets</b>			
Intangible assets	7		970,502
Tangible assets	8		259,068
			<u>1,229,570</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	994,653	
Cash at bank and in hand		4,528,179	
		<u>5,522,832</u>	
Creditors: amounts falling due within one year	11	(3,078,341)	
<b>Net current assets</b>			<u>2,444,491</u>
<b>Total assets less current liabilities</b>			<u>3,674,061</u>
Creditors: amounts falling due after more than one year	12		(162,400)
<b>Net assets</b>			<u><u>3,511,661</u></u>
<b>Capital and reserves</b>			
Called up share capital	14		131
Share premium account	15		4,466,369
Profit and loss account	15		(954,839)
<b>Total equity</b>			<u><u>3,511,661</u></u>

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.

These financial statements have been delivered to the Registrar in accordance with the special provisions of the Companies Act 2006 applicable to the small companies regime. The company and group's income statement and directors' report have not been delivered to the Registrar of Companies, in accordance with the above special provisions.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



**S J E Hay**  
Director

10 January 2018

The notes on 5 to 17 form part of these financial statements.

# Firefly Learning Limited

Registered number: 10115230

## Company Statement of Financial Position As at 30 April 2017

	Note	2017 £	2017 £
<b>Fixed assets</b>			
Intangible assets	7		811,139
Tangible assets	8		252,533
Investments	9		58
			<u>1,063,730</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	1,312,081	
Cash at bank and in hand		4,470,844	
		<u>5,782,925</u>	
Creditors: amounts falling due within one year	11	(2,876,728)	
<b>Net current assets</b>			<u>2,906,197</u>
<b>Total assets less current liabilities</b>			<u>3,969,927</u>
Creditors: amounts falling due after more than one year	12		(162,400)
<b>Net assets</b>			<u><u>3,807,527</u></u>
<b>Capital and reserves</b>			
Called up share capital	14		131
Share premium account	15		4,466,369
Profit and loss account	15		(658,973)
<b>Total equity</b>			<u><u>3,807,527</u></u>

The company's 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 company has taken the special provisions as noted on the consolidated statement of financial position to not deliver the income statement of the group or company to the Registrar of Companies. The loss after tax of the group is £954,839 and the company is £658,973.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



**S J E Hay**  
Director

10 January 2018

The notes on 5 to 17 form part of these financial statements.

# Firefly Learning Limited

## Consolidated Statement of Changes in Equity For the Period Ended 30 April 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(954,839)	(954,839)
<b>Total comprehensive income for the period</b>	-	-	(954,839)	(954,839)
<b>Contributions by owners</b>				
Shares issued during the period (note 14)	131	4,466,369	-	4,466,500
<b>At 30 April 2017</b>	131	4,466,369	(954,839)	3,511,661

The notes on 5 to 17 form part of these financial statements.

# Firefly Learning Limited

## Company Statement of Changes in Equity For the Period Ended 30 April 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(658,973)	(658,973)
<b>Total comprehensive income for the period</b>	-	-	(658,973)	(658,973)
<b>Contributions by owners</b>				
Shares issued during the period (note 14)	131	4,466,369	-	4,466,500
<b>At 30 April 2017</b>	131	4,466,369	(658,973)	3,807,527

The notes on 5 to 17. form part of these financial statements.

# Firefly Learning Limited

## Notes to the Financial Statements For the Period Ended 30 April 2017

---

### 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 and the nature of the company's operations and its principal activity is the provision of educational support activities.

### 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 Section 1A of FRS 102 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 accounts have been prepared under the small companies regime and therefore no strategic report or cash flow statement have been disclosed. As referred to on the statement of financial position, the company has chosen not to file the group's income statement or directors report with the Registrar of Companies.

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.

#### 2.3 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The group has incurred a loss of £954,839 during the period but remains in a strong net asset position of £3,511,661 which includes £4,528,179 of cash at bank and in hand. Thus they have adopted the going concern basis of accounting in preparing these financial statements.

#### 2.4 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. Revenue is recognised when the service is delivered.



# Firefly Learning Limited

## Notes to the Financial Statements For the Period Ended 30 April 2017

---

### 2. Accounting policies (continued)

#### 2.5 Intangible assets

The costs of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date. These assets include customer relationships and the brand. On consolidation goodwill has arisen in relation to the acquisition of Firefly Learning Pty.

Intangible assets are amortised on a straight line basis over their useful life. The intangible assets have no residual value. The finite useful life of the intangible assets is estimated to be 3 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are tested for impairment when there is an indication that the asset may be impaired.

#### 2.6 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

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.

#### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.8 Equity

The company recognises the issue of shares or other equity instruments as equity when it issues those instruments and another party is obliged to provide cash or other resources to the company in exchange for the instruments. The company accounts for any transaction costs of an equity transaction as a deduction from equity, net of any related income tax benefit.

# **Firefly Learning Limited**

## **Notes to the Financial Statements For the Period Ended 30 April 2017**

---

### **2. Accounting policies (continued)**

#### **2.9 Financial instruments**

The group only enters into basic financial instruments 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 non-puttable 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.

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.

#### **2.10 Foreign currency translation**

The company's functional and presentational currency is GBP.

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the income statement.

#### **2.11 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.

# Firefly Learning Limited

## Notes to the Financial Statements For the Period Ended 30 April 2017

---

### 2. Accounting policies (continued)

#### 2.12 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred.

#### 2.13 Taxation

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.

### 3. 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 10 January 2018. The auditor's report was signed by David Eagle as senior statutory auditor and was unqualified.

# Firefly Learning Limited

## Notes to the Financial Statements For the Period Ended 30 April 2017

### 4. 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 group either as a lessor 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 group's tangible and intangible assets, including goodwill. 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

Tangible fixed assets (see note 8)

Tangible fixed assets are 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.

### 5. Operating loss

The operating loss is stated after charging:

	Period ended 30 April 2017 £
Depreciation of tangible fixed assets	42,304
Amortisation of intangible assets, including goodwill	511,028
Fees payable to the group's auditor and its associates for the audit of the company's annual financial statements	9,750
	<u>563,082</u>

### 6. Employees

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

	Period ended 30 April 2017 No.
Employees	48

# Firefly Learning Limited

## Notes to the Financial Statements For the Period Ended 30 April 2017

### 7. Intangible assets

#### Group

	Goodwill £	Brand £	Customer relationships £	Total £
<b>Cost</b>				
Additions	239,045	70,077	1,172,408	1,481,530
At 30 April 2017	239,045	70,077	1,172,408	1,481,530
<b>Amortisation</b>				
Charge for the year	79,682	23,359	407,987	511,028
At 30 April 2017	79,682	23,359	407,987	511,028
<b>Net book value</b>				
At 30 April 2017	159,363	46,718	764,421	970,502

#### Company

	Brand £	Customer relationships £	Total £
<b>Cost</b>			
Additions	70,077	1,172,408	1,242,485
At 30 April 2017	70,077	1,172,408	1,242,485
<b>Amortisation</b>			
Charge for the year	23,359	407,987	431,346
At 30 April 2017	23,359	407,987	431,346
<b>Net book value</b>			
At 30 April 2017	46,718	764,421	811,139

# Firefly Learning Limited

## Notes to the Financial Statements For the Period Ended 30 April 2017

### 8. Tangible fixed assets

#### Group

	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
Additions	220,723	29,182	249,905
Acquisition of subsidiary	1,637	50,819	52,456
Disposals	(2,028)	-	(2,028)
At 30 April 2017	220,332	80,001	300,333
<b>Depreciation</b>			
Charge for the Period on owned assets	26,655	15,649	42,304
Disposals	(1,039)	-	(1,039)
At 30 April 2017	25,616	15,649	41,265
<b>Net book value</b>			
At 30 April 2017	194,716	64,352	259,068

# Firefly Learning Limited

## Notes to the Financial Statements For the Period Ended 30 April 2017

### 8. Tangible fixed assets (continued)

#### Company

	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>			
Additions	213,642	28,878	242,520
Acquisition of subsidiary	1,637	50,819	52,456
Disposals	(2,028)	-	(2,028)
At 30 April 2017	213,251	79,697	292,948
<b>Depreciation</b>			
Charge for the Period on owned assets	25,805	15,649	41,454
Disposals	(1,039)	-	(1,039)
At 30 April 2017	24,766	15,649	40,415
<b>Net book value</b>			
At 30 April 2017	188,485	64,048	252,533

# Firefly Learning Limited

## Notes to the Financial Statements For the Period Ended 30 April 2017

### 9. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost</b>	
Additions	58
At 30 April 2017	58
<b>Net book value</b>	
At 30 April 2017	58

Name	Class of shares	Holding	Registered address	Principal activity
Firefly Learning PTE	Ordinary	100	531A Upper Cross Street, 04 - 95 Hong Lim Complex, Singapore 051531	The provision of educational support activities.
Firefly Learning PTY Limited	Ordinary	100	KPMG Level 2, 33 George Street, Launceston, TAS 7250 Australia	The provision of educational support activities.

### 10. Debtors

	Group 2017 £	Company 2017 £
Trade debtors	422,066	422,066
Amounts owed by group undertakings	-	340,316
Other debtors	134,615	126,035
Prepayments and accrued income	126,236	111,928
Tax recoverable	311,736	311,736
	<u>994,653</u>	<u>1,312,081</u>



# Firefly Learning Limited

## Notes to the Financial Statements For the Period Ended 30 April 2017

### 11. Creditors: Amounts falling due within one year

	Group 2017 £	Company 2017 £
Bank loans	470,515	470,515
Trade creditors	237,614	222,763
Other taxation and social security	150,307	130,286
Other creditors	96,734	59,478
Accruals and deferred income	2,123,171	1,993,686
	<u>3,078,341</u>	<u>2,876,728</u>

### 12. Creditors: Amounts falling due after more than one year

	Group 2017 £	Company 2017 £
Bank loans	<u>162,400</u>	<u>162,400</u>

### 13. Loans

Analysis of the maturity of loans is given below:

	Group 2017 £	Company 2017 £
<b>Amounts falling due within one year</b>		
Bank loans	470,515	470,515
<b>Amounts falling due within one to two years</b>		
Bank loans	108,267	108,267
<b>Amounts falling due within two to five years</b>		
Bank loans	54,133	54,133
	<u>632,915</u>	<u>632,915</u>

# Firefly Learning Limited

## Notes to the Financial Statements For the Period Ended 30 April 2017

### 14. Share capital

	2017 £
<b>Allotted, called up and fully paid</b>	
1,000,000 ordinary shares of £0.0001 each	100
312,500 A ordinary shares of £0.0001 each	31
	<hr/>
	131
	<hr/>

On 10 April 2016, the company was incorporated with 2 ordinary shares of £1.00 each.

On 30 April 2016, there was an allotment of 98 ordinary shares of £1.00 each.

On 15 November 2016, there was a sub-division of 100 ordinary shares of £1.00 each into 1,000,000 ordinary shares of £0.0001 each. On 15 November 2016, there was also an allotment of 213,542 A ordinary shares with a nominal value of £0.0001 each, resulting in a share premium of £3,074,979. Legal expenses of £33,595 in connection with the issue of share capital have been included within share premium.

On 26 January 2017, there was an allotment of 98,958 ordinary shares with a nominal value of £0.0001 each, resulting in a share premium of £1,424,985.

### 15. Reserves

The group and company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### 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.

# Firefly Learning Limited

## Notes to the Financial Statements For the Period Ended 30 April 2017

### 16. Business combinations

#### Acquisition of Firefly Learning LLP

On 30 April 2016 the company acquired the trade and assets of Firefly Learning LLP for a consideration of £56.

In calculating the goodwill arising on acquisition, the fair values of the net assets of Firefly Learning LLP have been assessed and adjustments from book value have been made where necessary.

	Book value £	Fair value adjustment £	Fair value £
<b>Fixed assets</b>			
Tangible	39,294	-	39,294
<b>Current assets</b>			
Debtors	609,123	-	609,123
Other assets	220,455	-	220,455
Cash at bank and in hand	684,006	-	684,006
<b>Total assets</b>	<b>1,552,878</b>	<b>-</b>	<b>1,552,878</b>
<b>Liabilities</b>			
Creditors due within one year	(381,839)	-	(381,839)
Creditors falling due after more than one year	(662,489)	-	(662,489)
Accruals and deferred income	(1,750,979)	-	(1,750,979)
<b>Fair value of net assets</b>	<b>(1,242,429)</b>	<b>-</b>	<b>(1,242,429)</b>
Brand and customer relationships		1,242,485	1,242,485
<b>Total purchase consideration</b>			<b>56</b>
Purchase consideration settled in cash, as above			(56)
Cash and cash equivalents in subsidiary acquired			684,006
<b>Cash inflow on acquisition</b>			<b>683,950</b>

The company acquired Firefly Learning Pty as part of the transaction to acquire the trade and assets of Firefly Learning LLP. No additional consideration was paid for the entity. The entity had net liabilities of £239,045 and no fair value adjustments were required, this has given rise to a goodwill adjustment of £239,045. The useful economic life of brand, customer relationships and goodwill arising has been estimated to be 3 years.

# Firefly Learning Limited

## Notes to the Financial Statements For the Period Ended 30 April 2017

### 17. Commitments under operating leases

At 30 April 2017 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Company 2017 £
Not later than 1 year	208,010	208,010
Later than 1 year and not later than 5 years	702,034	702,034
	<u>910,044</u>	<u>910,044</u>

### 18. Related party transactions

Beringea LLP is a shareholder in the company. During the period Beringea LLP has charged fees for professional services amounting to £2,500 excluding VAT. At the period end, £Nil is owed to Beringea LLP excluding VAT.

BGF Nominees Ltd is a shareholder in the company. During the period BGF Nominees Ltd has charged fees for professional services amounting to £28,000 excluding VAT. At the period end, £Nil is owed to BGF Nominees Ltd excluding VAT.

S J E Hay is a director of the company, during the period the company received consultancy services from Gordon Hay, a direct family member of S Hay amounting to £12,000. At the period end, £800 is owed to Gordon Hay excluding VAT.

### 19. Post statement of financial position events

On 24 October 2017 the company received a new round of loan funding totalling £3,000,000. This additional funding further supports the going concern basis applied in preparing these financial statements.