

# **Firefly Learning Limited**

Financial Statements

Year Ended

30 April 2018

Company Number 10115230

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# Firefly Learning Limited

## Company Information

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<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**

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# Firefly Learning Limited

Registered number: 10115230

## Consolidated Statement of Financial Position As at 30 April 2018

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Intangible assets	6		477,127		970,502
Tangible assets	7		546,013		259,068
			<u>1,023,140</u>		<u>1,229,570</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	9	1,510,332		994,653	
Cash at bank and in hand		2,170,856		4,528,179	
		<u>3,681,188</u>		<u>5,522,832</u>	
Creditors: amounts falling due within one year	10	(3,162,232)		(3,078,341)	
<b>Net current assets</b>			<u>518,956</u>		<u>2,444,491</u>
<b>Total assets less current liabilities</b>			<u>1,542,096</u>		<u>3,674,061</u>
Creditors: amounts falling due after more than one year	11	(1,125,000)		(162,400)	
<b>Net assets</b>			<u>417,096</u>		<u>3,511,661</u>
<b>Capital and reserves</b>					
Called up share capital	13		131		131
Share premium account	14		4,466,369		4,466,369
Profit and loss account	14		(4,049,404)		(954,839)
<b>Total equity</b>			<u>417,096</u>		<u>3,511,661</u>

# **Firefly Learning Limited**

Registered number: 10115230

## **Consolidated Statement of Financial Position (continued) As at 30 April 2018**

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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 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



**J J Mathewson**  
Director

24 September 2018

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

# Firefly Learning Limited

Registered number: 10115230

## Company Statement of Financial Position As at 30 April 2018

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Intangible assets	6		396,977		811,139
Tangible assets	7		535,181		252,533
Investments	8		58		58
			<u>932,216</u>		<u>1,063,730</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	9	2,314,523		1,312,081	
Cash at bank and in hand		2,116,762		4,470,844	
		<u>4,431,285</u>		<u>5,782,925</u>	
Creditors: amounts falling due within one year	10	(2,987,611)		(2,876,728)	
<b>Net current assets</b>			<u>1,443,674</u>		<u>2,906,197</u>
<b>Total assets less current liabilities</b>			<u>2,375,890</u>		<u>3,969,927</u>
Creditors: amounts falling due after more than one year	11		(1,125,000)		(162,400)
<b>Net assets</b>			<u><u>1,250,890</u></u>		<u><u>3,807,527</u></u>
<b>Capital and reserves</b>					
Called up share capital	13		131		131
Share premium account	14		4,466,369		4,466,369
Profit and loss account	14		(3,215,610)		(658,973)
<b>Total equity</b>			<u><u>1,250,890</u></u>		<u><u>3,807,527</u></u>

# Firefly Learning Limited

Registered number: 10115230

## Company Statement of Financial Position (continued) As at 30 April 2018

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



**J J Mathewson**  
Director

24 September 2018

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

# Firefly Learning Limited

## Notes to the Financial Statements For the Year Ended 30 April 2018

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### 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 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 4).

The accounts have been prepared under the small companies regime and therefore no strategic report or cash flow have been disclosed. As referred to on the statement of financial position, the company has chosen not to file the group's statement of comprehensive income 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 Turnover

Turnover represents amounts receivable for goods and services net of VAT. The total turnover of the group and company for the year 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.



# Firefly Learning Limited

## Notes to the Financial Statements For the Year Ended 30 April 2018

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### 2. Accounting policies (continued)

#### 2.4 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.

#### 2.5 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.

#### 2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

# **Firefly Learning Limited**

## **Notes to the Financial Statements For the Year Ended 30 April 2018**

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

#### **2.7 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.

#### **2.8 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.

#### **2.9 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 Year Ended 30 April 2018**

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

#### **2.10 Borrowing costs**

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

#### **2.11 Research and development**

Research and development costs are charged to the consolidated statement of comprehensive income as they are incurred and not capitalised.

#### **2.12 Current and deferred 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 24 September 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 Year Ended 30 April 2018

### 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 company 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 company'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 7)

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. Employees

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

	Group	Group	Company	Company
	Year	Period from	Year	Period from
	ended	10 April	ended	10 April
	30 April	2016	30 April	2016
	2018	30 April	2018	30 April
	No.	2017	No.	2017
	No.	No.	No.	No.
Employees	79	48	70	48

# Firefly Learning Limited

## Notes to the Financial Statements For the Year Ended 30 April 2018

### 6. Intangible assets

#### Group

	Goodwill £	Brand £	Customer relationships £	Total £
<b>Cost</b>				
At 1 May 2017	239,045	70,077	1,172,408	1,481,530
At 30 April 2018	239,045	70,077	1,172,408	1,481,530
<b>Amortisation</b>				
At 1 May 2017	79,682	23,359	407,987	511,028
Charge for the year	79,213	23,359	390,803	493,375
At 30 April 2018	158,895	46,718	798,790	1,004,403
<b>Net book value</b>				
At 30 April 2018	80,150	23,359	373,618	477,127
At 30 April 2017	159,363	46,718	764,421	970,502

# Firefly Learning Limited

## Notes to the Financial Statements For the Year Ended 30 April 2018

### 6. Intangible assets (continued)

#### Company

	Brand £	Customer relationships £	Total £
<b>Cost</b>			
At 1 May 2017	70,077	1,172,408	1,242,485
At 30 April 2018	70,077	1,172,408	1,242,485
<b>Amortisation</b>			
At 1 May 2017	23,359	407,987	431,346
Charge for the year	23,359	390,803	414,162
At 30 April 2018	46,718	798,790	845,508
<b>Net book value</b>			
At 30 April 2018	23,359	373,618	396,977
At 30 April 2017	46,718	764,421	811,139

# Firefly Learning Limited

## Notes to the Financial Statements For the Year Ended 30 April 2018

### 7. Tangible fixed assets

#### Group

	Office equipment £	Computer equipment £	Leasehold improvements £	Total £
<b>Cost or valuation</b>				
At 1 May 2017	220,332	80,001	-	300,333
Additions	29,890	100,789	294,554	425,233
Disposals	-	(33,436)	-	(33,436)
At 30 April 2018	<u>250,222</u>	<u>147,354</u>	<u>294,554</u>	<u>692,130</u>
<b>Depreciation</b>				
At 1 May 2017	25,616	15,649	-	41,265
Charge for the year	47,621	36,295	40,347	124,263
Disposals	-	(19,411)	-	(19,411)
At 30 April 2018	<u>73,237</u>	<u>32,533</u>	<u>40,347</u>	<u>146,117</u>
<b>Net book value</b>				
At 30 April 2018	<u>176,985</u>	<u>114,821</u>	<u>254,207</u>	<u>546,013</u>
At 30 April 2017	<u>194,716</u>	<u>64,352</u>	<u>-</u>	<u>259,068</u>

# Firefly Learning Limited

## Notes to the Financial Statements For the Year Ended 30 April 2018

### 7. Tangible fixed assets (continued)

#### Company

	Office equipment £	Computer equipment £	Leasehold improvements £	Total £
<b>Cost or valuation</b>				
At 1 May 2017	213,251	79,697	-	292,948
Additions	26,044	93,770	294,554	414,368
Disposals	-	(33,436)	-	(33,436)
At 30 April 2018	239,295	140,031	294,554	673,880
<b>Depreciation</b>				
At 1 May 2017	24,766	15,649	-	40,415
Charge for the year	46,705	30,643	40,347	117,695
Disposals	-	(19,411)	-	(19,411)
At 30 April 2018	71,471	26,881	40,347	138,699
<b>Net book value</b>				
At 30 April 2018	167,824	113,150	254,207	535,181
At 30 April 2017	188,485	64,048	-	252,533



# Firefly Learning Limited

## Notes to the Financial Statements For the Year Ended 30 April 2018

### 8. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 May 2017	58
At 30 April 2018	<u>58</u>
<b>Net book value</b>	
At 30 April 2018	<u>58</u>
At 30 April 2017	<u>58</u>

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.

# Firefly Learning Limited

## Notes to the Financial Statements For the Year Ended 30 April 2018

### 9. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	449,391	422,066	445,776	422,066
Amounts owed by group undertakings	-	-	823,621	340,316
Other debtors	307,326	134,615	300,288	126,035
Prepayments and accrued income	256,422	126,236	247,645	111,928
Tax recoverable	497,193	311,736	497,193	311,736
	<u>1,510,332</u>	<u>994,653</u>	<u>2,314,523</u>	<u>1,312,081</u>

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans	375,000	470,515	375,000	470,515
Trade creditors	292,601	237,614	277,148	222,763
Other taxation and social security	165,316	150,307	171,107	130,286
Other creditors	106,808	96,734	85,117	59,478
Accruals and deferred income	2,222,507	2,123,171	2,079,239	1,993,686
	<u>3,162,232</u>	<u>3,078,341</u>	<u>2,987,611</u>	<u>2,876,728</u>

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans	<u>1,125,000</u>	<u>162,400</u>	<u>1,125,000</u>	<u>162,400</u>

On 24 October 2017 the company entered into a loan agreement with Silicon Valley Bank. The agreement consisted of two facilities: 1: A term loan in the amount of £1,500,000 and 2: A revolving credit facility in the amount of £1,500,000. During the financial year the company drew down in two tranches of £750,000 the term loan, totalling £1,500,000. 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 company did not draw down any funds from the revolving credit facility.

Following signature of the loan agreement with Silicon Valley Bank the company paid off all outstanding loans with Lloyds Bank (totalling £434,032) and transferred all monies from the operating account in Lloyds to its operating account in Silicon Valley Bank.

# Firefly Learning Limited

## Notes to the Financial Statements For the Year Ended 30 April 2018

### 12. Loans

Analysis of the maturity of loans given below:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
<b>Amounts falling due within one year</b>				
Bank loans	375,000	470,515	375,000	470,515
<b>Amounts falling due 1-2 years</b>				
Bank loans	500,000	108,267	500,000	108,267
<b>Amounts falling due 2-5 years</b>				
Bank loans	625,000	54,133	625,000	54,133
	<u>1,500,000</u>	<u>632,915</u>	<u>1,500,000</u>	<u>632,915</u>

### 13. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
1,000,000 ordinary shares of £0.0001 each	100	100
309,500 A ordinary shares of £0.0001 each	31	31
	<u>131</u>	<u>131</u>

### 14. 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 Year Ended 30 April 2018

### 15. Commitments under operating leases

At 30 April 2018 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Not later than 1 year	490,545	208,010	490,545	208,010
Later than 1 year and not later than 5 years	1,165,044	702,034	1,165,044	702,034
	<u>1,655,589</u>	<u>910,044</u>	<u>1,655,589</u>	<u>910,044</u>

### 16. Related party transactions

Beringea LLP is a shareholder in the company. During the period Beringea LLP has charged fees for professional services amounting to £1,200 (2017 - £2,500) excluding VAT. At the period end, £Nil (2017 - £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 £Nil (2017 - £28,000) excluding VAT. At the period end, £Nil (2017 - £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 £9,041 (2017 - £12,000). At the period end, £Nil (2017 - £800) is owed to Gordon Hay excluding VAT.