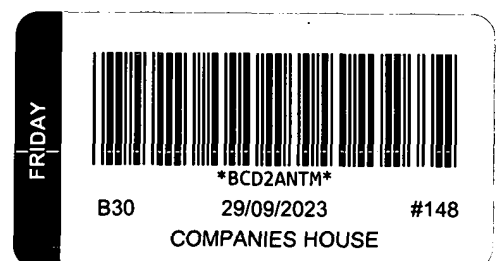


THRIVE LEARNING LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



THRIVE LEARNING LIMITED

COMPANY INFORMATION

Director	S Reddington
Registered number	10988277
Registered office	27 Market Place Bingham Nottingham Nottinghamshire NG13 8JY
Independent auditor	Cooper Parry Group Limited Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

THRIVE LEARNING LIMITED

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THRIVE LEARNING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

Thrive is one of the UK's fastest growing learning platforms that helps businesses onboard and upskill their employees.

Business review

The company's Annual Recurring Revenue expanded from £3.05 million to £6.08 million over the fiscal year. This continues the impressive year on year revenue growth since the company's inception, boasting a substantial 161% compound annual growth rate (CAGR). Notably, the company's ongoing investments in its personnel and product have solidified its position as an industry leader. These strategic investments throughout the year resulted in a pre-tax loss of £5,291,959 (6 month period ended December 2021: £2,126,682).

Following a phase of substantial expansion, Thrive has now established a stable cost base while sustaining the growth of recurring revenue. Projections for the period spanning from 2024 to 2026 anticipate Thrive's path to profitability, ultimately rectifying the retained earnings deficit recorded as of 31st December 2022.

At the date of writing this report annual recurring revenue is £7.9m with customers such as Sky TV, Volvo, Frasers Group, Jet2 and British Airways. Thrive continues to work with Enterprise customers and has had a significant impact in the retail industry. With net current assets, healthy profit projections from 2024 onwards and continued support from the major shareholder, Thrive is in a very stable financial position and will continue to grow exponentially into the future.

Principal risks and uncertainties

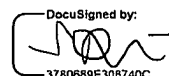
Liquidity Report

Thrive is funded by its majority shareholder who has vast experience in the e-learning industry and has previously run a number of successful e-learning businesses. Further funds are available to Thrive if needed, though based on current cash flow projections this is not required.

Debtors

Loss of contracts from, or insolvency of, a major customer, would affect the short-term performance of the company. There were no major defaults or write-offs in 2022 and these risks are considered low for the coming year. All account customers with the company are credit checked and credit limits established according to their risk profile.

This report was approved by the board and signed on its behalf.

DocuSigned by:


S Reddington
Director

Date: 29 September 2023

THRIVE LEARNING LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents his report and the financial statements for the year ended 31 December 2022.

Director's responsibilities statement

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the company's financial statements 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 director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Results and dividends

The loss for the year, after taxation, amounted to £5,285,551 (6 months ended 31 December 2021: loss £2,065,906).

During the year, the company paid a dividend of £Nil (2021: £Nil).

Director

The director who served during the year was:

S Reddington

Strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's Strategic Report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 to be contained in the director's report.

THRIVE LEARNING LIMITED

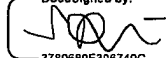
**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

- so far as is aware, there is no relevant audit information of which the company's auditor is unaware, and
- 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's auditor is aware of that information.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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S Reddington
Director

Date: 29 September 2023

THRIVE LEARNING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THRIVE LEARNING LIMITED

Opinion

We have audited the financial statements of Thrive Learning Limited (the 'Company') for the year ended 31 December 2022, which comprise the Profit and loss account, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

Comparative information in the financial statements is derived from the company's prior year financial statements which were not audited.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

THRIVE LEARNING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THRIVE LEARNING LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the director's responsibilities statement set out on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

THRIVE LEARNING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THRIVE LEARNING LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through enquiries and walkthroughs;
- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk management override of controls, including testing of journal entries and other adjustments for completeness and appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining and understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed the following:

- testing journal entries to identify unusual transactions;
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias;
- investigating the rationale behind significant or unusual transactions;
- reviewing certain nominal codes for indication of any management override; and
- testing journal entries to identify unusual transactions.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

THRIVE LEARNING LIMITED

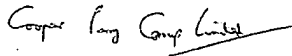
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THRIVE LEARNING LIMITED (CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Ellis (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 29 September 2023

THRIVE LEARNING LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Year ended 31 December 2022 £	As restated 6 months ended 31 December 2021 £
Turnover	3	4,552,847	948,196
Cost of sales		(1,944,944)	(574,956)
Gross profit		2,607,903	373,240
Administrative expenses		(7,902,968)	(2,499,643)
Operating loss	4	(5,295,065)	(2,126,403)
Interest receivable and similar income		14,511	3,102
Interest payable and similar expenses		(11,405)	(5,381)
Loss before tax		(5,291,959)	(2,128,682)
Tax on loss	7	6,408	62,776
Loss for the financial year		(5,285,551)	(2,065,906)

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

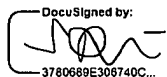
The notes on pages 13 to 25 form part of these financial statements.

THRIVE LEARNING LIMITED
REGISTERED NUMBER: 10988277

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Intangible assets	8	711,951	1,468,283
Tangible assets	9	619,944	407,191
		<u>1,331,895</u>	<u>1,875,474</u>
Current assets			
Debtors	10	3,211,759	1,274,857
Cash at bank and in hand		2,344,725	2,300,844
		<u>5,556,484</u>	<u>3,575,701</u>
Creditors: amounts falling due within one year	11	<u>(4,563,801)</u>	<u>(2,671,864)</u>
Net current assets		992,683	903,837
Total assets less current liabilities		<u>2,324,578</u>	<u>2,779,311</u>
Creditors: amounts falling due after more than one year	12	(11,067,311)	(6,230,308)
Provisions for liabilities			
Deferred tax	15	-	(6,185)
Net liabilities		<u>(8,742,733)</u>	<u>(3,457,182)</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account		(8,742,833)	(3,457,282)
Shareholders' deficit		<u>(8,742,733)</u>	<u>(3,457,182)</u>

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

DocuSigned by:

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S Reddington
Director

Date: 29 September 2023

The notes on pages 13 to 25 form part of these financial statements.

THRIVE LEARNING LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	100	(3,457,282)	(3,457,182)
Loss for the year	-	(5,285,551)	(5,285,551)
At 31 December 2022	<u>100</u>	<u>(8,742,833)</u>	<u>(8,742,733)</u>

The notes on pages 13 to 25 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2021 (as restated)	100	(1,391,376)	(1,391,276)
Loss for the period	-	(2,065,906)	(2,065,906)
At 31 December 2021 (as restated)	<u>100</u>	<u>(3,457,282)</u>	<u>(3,457,182)</u>

The notes on pages 13 to 25 form part of these financial statements.

THRIVE LEARNING LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(5,285,551)	(2,065,906)
Adjustments for:		
Amortisation of intangible assets	756,332	441,475
Depreciation of tangible assets	87,332	29,311
Loss on disposal of tangible assets	27,645	(2,618)
Interest paid	11,405	5,381
Interest received	(14,511)	(3,102)
Taxation charge	(6,408)	(62,776)
Increase in debtors	(1,936,902)	(955,587)
Increase in creditors	6,752,155	888,661
Corporation tax (paid)/received	(46,754)	224,893
Net cash generated from operating activities	<u>344,743</u>	<u>(1,500,268)</u>
Cash flows from investing activities		
Capitalisation of development costs	-	(695,596)
Purchase of tangible fixed assets	(371,480)	(128,236)
Sale of tangible fixed assets	43,750	45,428
Interest received	14,511	3,102
HP interest paid	(6,370)	(1,592)
Net cash from investing activities	<u>(319,589)</u>	<u>(776,894)</u>
Cash flows from financing activities		
Repayment of loans	(57,084)	(28,088)
Other new loans	100,000	20,000
Repayment of finance leases	(19,154)	(10,415)
Interest paid	(5,035)	(3,789)
Net cash used in financing activities	<u>18,727</u>	<u>(22,292)</u>
Net increase/(decrease) in cash and cash equivalents	<u>43,881</u>	<u>(2,299,454)</u>
Cash and cash equivalents at beginning of year	2,300,844	4,600,298
Cash and cash equivalents at the end of year	<u><u>2,344,725</u></u>	<u><u>2,300,844</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>2,344,725</u></u>	<u><u>2,300,844</u></u>

The notes on pages 13 to 25 form part of these financial statements.

THRIVE LEARNING LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	2,300,844	43,881	-	2,344,725
Bank loan due after 1 year	(45,278)	57,084	(70,716)	(58,910)
Bank loan due within 1 year	(97,011)	-	70,716	(26,295)
Other loans due within 1 year	(50,000)	(100,000)	-	(150,000)
Finance leases within one year	(19,154)	19,154	(19,154)	(19,154)
Finance leases more than one year	(107,456)	-	19,154	(88,302)
	<u>1,981,945</u>	<u>20,119</u>	<u>-</u>	<u>2,002,064</u>

The notes on pages 13 to 25 form part of these financial statements.

THRIVE LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

Thrive Learning Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are prepared for the year ended 31 December 2022 (2021: 6 month period ended 31 December 2021).

1.1 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Going concern

The financial statements show the company had net current assets of £992,683 and net liabilities of £8,742,733 at the balance sheet date.

Post year end trading results overall show a positive outlook for the company. The director considers that current trading and their forecasts indicate that the company will continue to trade for at least 12 months from the date of signing these accounts. The majority shareholder has provided the company with confirmation that, for at least 12 months from the date of approval of these financial statements, they will continue to make available such funds as are needed by the company.

On that basis, the director has prepared these financial statements on a going concern basis.

1.3 Prior year restatement

A restatement has been made to the 2021 balances to correctly account for turnover which has not been recognised in the correct period. This reduced turnover and profit after tax by £1,034,266. A further adjustment has been made in respect of opening profit and loss reserves at 1 July 2021 which have been reduced by £378,488. The total impact on net assets at 31 December 2021 is a reduction of £1,412,814. This has increased the loss before tax in the prior period from £1,094,416 to £2,128,682 and increased net liabilities from £2,044,468 to £3,457,182. This has had no impact on the results of the company in the current year.

A further restatement has been made to the 2021 figures to reclassify balances between bank and cash balances, other debtors, fixed assets, amounts owed to related parties, bank and other loans, other creditors and accruals to better reflect the nature of the balances. This has no impact on the loss or net liabilities for the current or prior period.

THRIVE LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;

Turnover from contracts with customers is recognised evenly over the term of the contract.

1.5 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.

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a useful life of three years.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

THRIVE LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Motor vehicles	-	13% reducing balance
Fixtures and fittings	-	10% straight line
Computer equipment	-	33% straight line

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 profit and loss account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately in the profit and loss account.

1.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans from banks and other third parties.

All basic financial assets and liabilities are initially measured at transaction price and subsequently at amortised cost.

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

1.8 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

THRIVE LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.9 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rate 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.

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 profit and loss accounts in the period in which they arise.

1.10 Operating leases

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

1.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax.

Tax is recognised in the profit and loss account 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 Balance sheet date in the countries where the company operates and generates income.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

THRIVE LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

The director of the company make estimates and assumptions concerning the future. The director is also required to exercise judgement in the process of applying the company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the director has identified the following key judgements:

Capitalisation of development costs

The director reviews the costs related to development costs and assesses whether they need to be capitalised as an intangible asset and amortised their useful life or expensed directly to the profit and loss account in line with the company's accounting policy.

The director reviews the carrying value of development costs for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

3. Turnover

The whole of the turnover is attributable to the principal activities of the business.

Analysis of turnover by country of destination:

	2022	As restated 2021
	£	£
United Kingdom	3,553,861	727,114
Europe	91,596	47,371
Rest of the world	907,390	173,711
	<u>4,552,847</u>	<u>948,196</u>

4. Operating loss

The operating loss is stated after charging/(crediting):

	2022	2021
	£	£
Amortisation of intangible fixed assets	756,332	441,476
Depreciation of tangible fixed assets	70,204	19,491
Depreciation of assets on HP	17,128	4,420
Loss/(profit) on disposal of tangible fixed assets	24,208	(2,618)
Auditor's remuneration	23,000	-
Operating lease rentals	2,496	624
	<u>2,496</u>	<u>624</u>

THRIVE LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Employees

Staff costs, including director's remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	4,577,454	1,329,747
Social security costs	538,959	182,429
Cost of defined contribution scheme	366,351	130,556
	<u>5,482,764</u>	<u>1,642,732</u>

The average monthly number of employees, including the director, during the year was as follows:

	2022 No.	2021 No.
Sales	14	8
Development	41	35
Administration	47	26
	<u>102</u>	<u>69</u>

6. Director's remuneration

	2022 £	2021 £
Director's emoluments	11,875	7,569
Company contributions to defined contribution pension schemes	1,000	110
	<u>12,875</u>	<u>7,679</u>

During the year retirement benefits were accruing to 1 director (2021:1) in respect of defined contribution pension schemes.

THRIVE LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	-	(62,776)
	<u>-</u>	<u>(62,776)</u>
Total current tax	<u>-</u>	<u>(62,776)</u>
Deferred tax		
Origination and reversal of timing differences	(6,408)	-
	<u>(6,408)</u>	<u>-</u>
Total deferred tax	<u>(6,408)</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(6,408)</u>	<u>(62,776)</u>

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(5,483,802)	(2,128,682)
	<u>(5,483,802)</u>	<u>(2,128,682)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(1,042,007)	(404,450)
Effects of:		
Expenses not deductible for tax purposes	1,925	-
Other permanent differences	1,900	86,265
Fixed asset differences	(11,007)	-
Additional deduction for R&D expenditure	-	(81,722)
Movement in deferred tax not recognised	1,042,781	337,131
	<u>1,042,781</u>	<u>337,131</u>
Total tax charge for the year/period	<u>(6,408)</u>	<u>(62,776)</u>

THRIVE LEARNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Taxation (continued)

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 31 December 2022 is 25%. At 31 December 2022, the company had unprovided tax losses carried forward of £6,208,217.

8. Intangible assets

	Development costs £	Intellectual property £	Total £
Cost			
At 1 January 2022	2,281,924	714,724	2,996,648
At 31 December 2022	<u>2,281,924</u>	<u>714,724</u>	<u>2,996,648</u>
Amortisation			
At 1 January 2022	1,042,609	485,756	1,528,365
Charge for the year	623,423	132,909	756,332
At 31 December 2022	<u>1,666,032</u>	<u>618,665</u>	<u>2,284,697</u>
Net book value			
At 31 December 2022	<u>615,892</u>	<u>96,059</u>	<u>711,951</u>
At 31 December 2021	<u>1,239,315</u>	<u>228,968</u>	<u>1,468,283</u>

THRIVE LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2022 (as restated)	354,272	13,523	104,235	472,030
Additions	281,848	15,718	73,914	371,480
Disposals	(72,500)	(3,749)	-	(76,249)
At 31 December 2022	<u>563,620</u>	<u>25,492</u>	<u>178,149</u>	<u>767,261</u>
Depreciation				
At 1 January 2022 (as restated)	19,989	1,896	42,954	64,839
Charge for the year	41,696	2,380	43,256	87,332
Disposals	(4,542)	(312)	-	(4,854)
At 31 December 2022	<u>57,143</u>	<u>3,964</u>	<u>86,210</u>	<u>147,317</u>
Net book value				
At 31 December 2022	<u>506,477</u>	<u>21,528</u>	<u>91,939</u>	<u>619,944</u>
At 31 December 2021	<u>334,283</u>	<u>11,627</u>	<u>61,281</u>	<u>407,191</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Motor vehicles	<u>119,897</u>	<u>137,025</u>

10. Debtors

	2022 £	Restated 2021 £
Trade debtors	1,963,804	796,129
Other debtors	972,153	333,775
Prepayments and accrued income	275,802	144,953
	<u>3,211,759</u>	<u>1,274,857</u>

THRIVE LEARNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Creditors: Amounts falling due within one year

	2022	As restated
	£	2021
		£
Bank loans	58,910	45,278
Other loans	150,000	50,000
Trade creditors	253,148	221,465
Tax payable	-	46,977
Other taxation and social security	507,662	369,352
Obligations under finance lease and hire purchase contracts	19,154	19,154
Other creditors	29,944	64,756
Accruals and deferred income	3,544,983	1,854,882
	<u>4,563,801</u>	<u>2,671,864</u>

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

	2022	2021
	£	£
Bank loans	26,295	97,011
Net obligations under finance leases and hire purchase contracts	88,302	107,456
Other creditors	10,952,714	6,025,841
	<u>11,067,311</u>	<u>6,230,308</u>

THRIVE LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	58,910	45,278
Other loans	150,000	50,000
	<u>208,910</u>	<u>95,278</u>
Amounts falling due 1-2 years		
Bank loans	10,106	97,011
	<u>10,106</u>	<u>97,011</u>
Amounts falling due 2-5 years		
Bank loans	16,189	-
	<u>16,189</u>	<u>-</u>
	<u>235,205</u>	<u>192,289</u>

Bank loans also include a loan being repaid in monthly installments until December 2023 and attracts interest at a rate of 4.32% per annum.

Bank loans include a loan being repaid in monthly installments until June 2026 and attracts interest at a rate of 2.5% per annum.

The other loan has no set repayment date and does not attract interest.

14. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	19,154	19,154
Between 1-5 years	88,302	107,456
	<u>107,456</u>	<u>126,610</u>

THRIVE LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Deferred taxation

	2022 £
At the beginning of the year	(6,185)
Charged to profit or loss	6,185
At the end of the year	-

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	-	(6,185)
	<u>-</u>	<u>(6,185)</u>

16. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
775 A Ordinary shares of £0.10 each	78	78
225 B Ordinary shares of £0.10 each	22	22
	<u>100</u>	<u>100</u>

The A Ordinary shares have voting rights, are entitled to dividends and have a right to any excess distribution in accordance with the company's articles.

The B Ordinary shares are entitled to dividends and have a right to any excess distribution in accordance with the company's articles. The B Ordinary shares have no voting rights.

17. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £366,351 (2021: £130,556). Contributions totalling £37,864 (2021: £43,454) were payable to the fund at the balance sheet date and are included within other creditors due within one year.

THRIVE LEARNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Commitments under operating leases

At 31 December 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	2,496	2,496
Later than 1 year and not later than 5 years	1,872	4,368
	<u>4,368</u>	<u>6,864</u>

19. Related party transactions

During the year the company made purchases from an entity under common control totalling £22,500 (2021: £Nil) of which £Nil (2021: £Nil) was outstanding at the year end.

At the year end the company loaned £333,010 (2021: £Nil) to an other entity under common control. At the balance sheet date £333,010 (2021: £Nil) remains outstanding and is included within other debtors.

At the year end the company loaned £624,725 (2021: £Nil) to an other entity under common control. At the balance sheet date 624,725 (2021: £Nil) remains outstanding and is included within other debtors.

20. Controlling party

The company is controlled by S Reddington by virtue of his majority shareholding.