

Company Registration No. 03935677 (England and Wales)

Frog Education Limited

Financial Statements

for the year ended 30 June 2020

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Frog Education Limited

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Frog Education Limited
Statement of financial position
as at 30 June 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		-		64,662
Tangible assets	5		7,090		15,039
Investments	6		16,709		16,709
			<u>23,799</u>		<u>96,410</u>
Current assets					
Debtors	7	3,639,201		4,231,350	
Cash at bank and in hand		240,097		54,513	
		<u>3,879,298</u>		<u>4,285,863</u>	
Creditors: amounts falling due within one year	8	<u>(1,575,477)</u>		<u>(964,976)</u>	
Net current assets			2,303,821		3,320,887
Total assets less current liabilities			2,327,620		3,417,297
Provisions for liabilities			-		(25,207)
Net assets			<u>2,327,620</u>		<u>3,392,090</u>
Capital and reserves					
Called up share capital	9		14,028		14,028
Share premium account			2,296,144		2,296,144
Capital redemption reserve			68		68
Profit and loss reserves			17,380		1,081,850
Total equity			<u>2,327,620</u>		<u>3,392,090</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 25 September 2020 and are signed on its behalf by:

G J Davies
Director

Company Registration No. 03935677

Frog Education Limited
Notes to the financial statements
for the year ended 30 June 2020

1 Accounting policies

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

The company recognises revenue as follows:

- software licence fees, hardware sales and associated items are recognised on delivery, and where applicable, acceptance by the customer, provided that no significant vendor obligations remain and collection of the resulting debt is deemed probable;
- fees for access to the company's hosted software are recognised on a straight line basis over the period of the contract term;
- fees for training, consultancy, implementation and other services are recognised as performed; and
- annual hosting, support and maintenance income is recognised over the period of delivery of the contract on a pro-rata basis.

Turnover includes royalty income from the subsidiary company which is recognised on an accruals basis.

Intangible fixed assets - goodwill

Negative goodwill arises when the cost of a business combination is less than the fair value of the interest on the identifiable assets, liabilities and contingent liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which those non-monetary assets are recovered. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to profit or loss in the periods expected to benefit, which the directors consider to be 5 years.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Frog Education Limited

Notes to the financial statements (continued) for the year ended 30 June 2020

1 Accounting policies

(continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	over 5 years straight line
Customer relationships	over 5 years straight line

The directors are amortising the customer relationships over 5 years as they believe that this is a reasonable estimate of the customer attrition rate on the recurring income. Software is being amortised over 5 years as the directors believe this is a reasonable estimate of the useful life of the software given technological advancement and changing market conditions.

Amortisation charges are included in administrative expenses in the income statement.

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible assets is recognised in profit or loss.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the lease term
Office equipment, furniture and fittings	over 3-7 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

Frog Education Limited

Notes to the financial statements (continued) for the year ended 30 June 2020

1 Accounting policies

(continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Government grants

Government grants are recognised as income in the profit and loss account in the period in which the expense they relate to, is incurred.

Research and development expenditure

Research and development expenditure is charged to profits in the period in which it is incurred.

Frog Education Limited
Notes to the financial statements (continued)
for the year ended 30 June 2020

2 Operating (loss)/profit

	2020	2019
	£	£
Operating (loss)/profit for the year is stated after (crediting):		
Release of negative goodwill	(68,004)	(81,607)
	<u> </u>	<u> </u>

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 46 (2019 - 54).

4 Intangible fixed assets

	Goodwill	Software	Customer relationships	Total
	£	£	£	£
Cost				
At 1 July 2019 and 30 June 2020	(408,034)	497,000	299,000	387,966
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amortisation and impairment				
At 1 July 2019	(340,030)	414,167	249,167	323,304
Amortisation charged for the year	(68,004)	82,833	49,833	64,662
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2020	(408,034)	497,000	299,000	387,966
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 30 June 2020	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2019	(68,004)	82,833	49,833	64,662
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Frog Education Limited
Notes to the financial statements (continued)
for the year ended 30 June 2020

5 Tangible fixed assets

	Leasehold improvements	Office equipment, furniture and fittings	Total
	£	£	£
Cost			
At 1 July 2019	13,583	261,203	274,786
Additions	-	1,522	1,522
Disposals	(6,843)	(46,632)	(53,475)
At 30 June 2020	6,740	216,093	222,833
Depreciation and impairment			
At 1 July 2019	10,372	249,375	259,747
Depreciation charged in the year	1,348	7,715	9,063
Eliminated in respect of disposals	(6,843)	(46,224)	(53,067)
At 30 June 2020	4,877	210,866	215,743
Carrying amount			
At 30 June 2020	1,863	5,227	7,090
At 30 June 2019	3,211	11,828	15,039

6 Fixed asset investments

	2020	2019
	£	£
Investments	16,709	16,709

7 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	324,674	450,208
Corporation tax recoverable	62,366	138,951
Amount owed by group undertaking	2,437,426	3,458,966
Other debtors	9,590	9,590
Prepayments and accrued income	805,145	173,635
	3,639,201	4,231,350

Frog Education Limited

Notes to the financial statements (continued)
for the year ended 30 June 2020

8 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	571,850	131,899
Taxation and social security	67,720	153,967
Other creditors	110,014	19,075
Accruals and deferred income	825,893	660,035
	<u>1,575,477</u>	<u>964,976</u>

Deferred income represents amounts invoiced in advance for annual support contracts and goods and services not yet delivered.

9 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
140,277 Ordinary of 10p each	<u>14,028</u>	<u>14,028</u>

Ordinary share rights

Each of the shares carry a voting right and equal rights to participate in any discretionary dividend.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Charles R Moorby.

The auditor was B M Howarth Ltd.

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2020	2019
£	£
<u>232,343</u>	<u>347,289</u>

Frog Education Limited
Notes to the financial statements (continued)
for the year ended 30 June 2020

12 Parent company

The ultimate controlling party of Frog Education Limited is considered to be the Yeoh family by virtue of its control of Yeoh Tiong Lay & Sons Family Holdings Limited, a company incorporated in Malaysia and the ultimate parent company of Frog Education Limited. The immediate parent company is Frog Education Group Limited.

The smallest and largest group for which consolidated accounts including Frog Education Limited are prepared is that headed by YTL Power International Berhad, a company listed in Malaysia. The accounts are publicly available and can be obtained from the company's registered office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia.

13 Company information

Frog Education Limited is a private company limited by shares incorporated in England and Wales. The registered office is G Mill, Dean Clough Mills, Halifax, West Yorkshire, HX3 5AX.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.