

Company Registration No 3935677

Frotrade Limited

STATUTORY FINANCIAL STATEMENTS

for the year ended

31 July 2011

MONDAY



A17Y2W2W

A25

30/04/2012

#118

COMPANIES HOUSE

Company Registration No. 3935677

Frogtrade Limited

FULL DETAILED FINANCIAL STATEMENTS

for the year ended

31 July 2011

Frotrade Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M D Booth
G P S Calvert OBE
G J Davies
T S K Isa
B S Levi
S L Van Haazel
Dato' Yeoh S H

SECRETARY

K Bowe

REGISTERED OFFICE

Second Floor
F Mill
Dean Clough
Halifax
HX3 5AX

AUDITORS

Baker Tilly UK Audit LLP
2 Whitehall Quay
Leeds
LS1 4HG

Frotrade Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Frotrade Limited for the year ended 31 July 2011

PRINCIPAL ACTIVITIES

The company's principal activities during the year were sales into the education market and further development of the company's web environment product

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors are pleased to report that turnover was maintained despite continued difficulties in economic conditions

The Company has recorded a small loss this year due to significant investments made in the development of new generation of products and particularly in working towards winning a large overseas contract. The Directors are delighted to announce that this investment has paid off and that Frog is in final stage negotiations to secure a substantial contract to supply its software to 10,000 schools in Malaysia.

The returns on this will start to become apparent in the year ended July 2012, but will really start to make themselves visible in the year ended July 2013

This contract is being secured through the Company's relationship with YTL Corporation, one of the largest quoted companies on the Malaysian stock exchange, and creates a major opportunity for the business to continue to grow both in the UK and internationally

The Company continues to grow its UK user base and build on its market leading reputation

After signing this contract, the Company will be in a position to invest very heavily in new products and in strengthening its core products with a view to dominating the UK market, and preparing for a strong international

DIRECTORS

The following directors have held office during the year

M D Booth

G P S Calvert OBE

G J Davies

R A Finney (resigned 1 June 2011)

K Heal (resigned 20 December 2011)

T S K Isa

B S Levi

S L Van Haazel (appointed 10 January 2011)

Dato' Yeoh S H

CHARITABLE CONTRIBUTIONS

During the year the company made charitable contributions totalling £2,870 (2010 £2,886) for causes supported by Frotrade in the education sector and beyond

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

Frogtrade Limited

DIRECTORS' REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the board



S L Van Haazel
Director

26 April 2012

Frotrade Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FROGTRADE LIMITED

We have audited the financial statements on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

Baker Tilly UK Audit LLP

Shaun Mullins (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
2 Whitehall Quay
Leeds
LS1 4HG

30 April 2012

Frogtrade Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 July 2011

	<i>Notes</i>	2011 £	2010 (as restated) £
TURNOVER	1	4,952,719	4,876,251
Cost of sales		<u>(379,893)</u>	<u>(467,274)</u>
Gross profit		4,572,826	4,408,977
Administration expenses		<u>(4,824,719)</u>	<u>(4,137,278)</u>
OPERATING (LOSS) / PROFIT	2	(251,893)	271,699
Interest payable and similar charges	4	(836)	(12,378)
Interest receivable and similar income		<u>3,948</u>	<u>-</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(248,781)	259,321
Tax on (loss) / profit on ordinary activities	5	<u>142,304</u>	<u>(13,898)</u>
(LOSS) / PROFIT FOR THE YEAR	16	<u><u>(106,477)</u></u>	<u><u>245,423</u></u>

The turnover and loss for the year arises from the company's continuing operations

Frogtrade Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 July 2011

	Year ended 31 July 2011 £	Year ended 31 July 2010 (as restated) £
Retained (loss)/profit for the year / period	(106,477)	245,423
Total recognised gains and losses relating to the year	(106,477)	245,423
Prior year adjustment (see note 6)	(82,948)	
Total gains and losses recognised since last financial statements	(189,425)	


Frogtrade Limited
BALANCE SHEET
31 July 2011

Company Registration No 3935677

	<i>Notes</i>	2011 £	2010 (as restated) £
FIXED ASSETS			
Tangible assets	7	81,196	75,202
		<u>81,196</u>	<u>75,202</u>
CURRENT ASSETS			
Stocks	8	80,527	11,701
Debtors due within one year	9	1,815,496	2,068,552
Debtors due after one year	9	237,689	-
Cash at bank and in hand		3,199,066	891,662
		<u>5,332,778</u>	<u>2,971,915</u>
CREDITORS Amounts falling due within one year	10	<u>(758,552)</u>	<u>(889,098)</u>
NET CURRENT ASSETS		<u>4,574,226</u>	<u>2,082,817</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,655,422</u>	<u>2,158,019</u>
CREDITORS Amounts falling due after more than one year	12	<u>(2,177,255)</u>	<u>(1,573,375)</u>
NET ASSETS		<u>2,478,167</u>	<u>584,644</u>
CAPITAL AND RESERVES			
Called up share capital	14	13,539	10,695
Share premium account	15	2,227,261	230,105
Profit and loss account	16	237,367	343,844
		<u>2,478,167</u>	<u>584,644</u>
SHAREHOLDERS' FUNDS		<u>2,478,167</u>	<u>584,644</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standards for Smaller Entities

The financial statements on pages 6 to **10** were approved by the board of directors and authorised for issue on 26 April 2012 and are signed on its behalf by


G J Davies
Director

Frogtrade Limited
CASH FLOW STATEMENT
for the year ended 31 July 2011

	<i>Notes</i>	2011 £	2010 (as restated) £
Cash flow from operating activities	18a	405,358	447,751
Returns on investments and servicing of finance	18b	3,112	(12,378)
Taxation		(42,773)	(24,605)
Capital expenditure and financial investment	18b	(54,676)	(46,915)
CASH INFLOW BEFORE FINANCING		311,021	363,853
Financing	18b	1,996,383	(103,417)
INCREASE IN CASH IN THE YEAR		2,307,404	260,436
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		2011 £	2010 £
Increase in cash in the year	18c	2,307,404	260,436
Net cash inflow from loans		3,617	3,617
Change in net funds	18c	2,311,021	264,053
Net funds at 1 August 2010		886,840	622,787
Net funds at 31 July 2011	18c	3,197,861	886,840

Frogtrade Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

GOING CONCERN

As at 31 July 2011 the company had cash reserves of £3,199,066 and net current assets of £4,574,226. There are no bank borrowings. The company is expecting to further consolidate its financial position as a result of planned growth in turnover and operating profit during the year ending 31 July 2012. On the basis of the above, the directors are confident that the company is a going concern and will be able to meet its financial obligations during the forthcoming 12 months.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets as follows:

Included in plant and machinery are:

Office equipment	depreciated over 3 years on a straight line basis
Furniture & fixtures	depreciated over 5 years on a straight line basis

Depreciation is provided, pro-rata, from the month of purchase.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

RESEARCH AND DEVELOPMENT

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

Frogtrade Limited

ACCOUNTING POLICIES

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lesser.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

REVENUE RECOGNITION

The company recognises revenue as follows:

- software licence fees, hardware sales and associated items are recognised on delivery,
- fees for training & implementation services are recognised as performed, and
- annual support income invoiced in advance is released pro-rata over the period of the contract.

Frogtrade Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2011

1	TURNOVER	2011 %	2010 %
	Percentage of turnover relating to non-UK markets	5	3
2	OPERATING (LOSS) / PROFIT	2011 £	2010 (as restated) £
	This is stated after charging		
	Depreciation of owned assets	50,051	54,109
	Auditors' remuneration - audit services	11,234	7,500
	- non audit services	17,200	18,598
	Profit on disposal of fixed assets	(1,369)	-
3	DIRECTORS' EMOLUMENTS	2011 £	2010 £
	Aggregate emoluments including benefits in kind and aggregate value of any company contribution paid to a money purchase pension scheme	432,378	384,619
		No	No
	Number of directors to whom retirement benefits are accruing under money purchase schemes	-	-
4	INTEREST PAYABLE AND SIMILAR CHARGES	2011 £	2010 £
	Interest on other items	836	12,378

Frogtrade Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2011

5	TAX ON PROFIT ON ORDINARY ACTIVITIES	2011 £	2010 (as restated) £
	UK Corporation tax		
	Charge for the year at 21% (2010 21%)	(42,774)	45,000
	Previous period adjustment	(2,226)	-
		<hr/>	<hr/>
	Total corporation tax	(45,000)	45,000
		<hr/>	<hr/>
	Deferred taxation		
	Charge for the year	(97,304)	(308)
	Prior year adjustment	-	(30,794)
		<hr/>	<hr/>
	Total deferred tax	(97,304)	(31,102)
		<hr/>	<hr/>
	Tax (credit)/charge	(142,304)	13,898
		<hr/>	<hr/>

Frogtrade Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2011

6 PRIOR YEAR ADJUSTMENT

The following fundamental errors existed in the prior year financial statements and have been corrected as follows

In the year to 31 July 2010 the company disclosed £123,234 of costs incurred in entering into a strategic partnership with YTL Education (UK) Limited ("YTL Education") as exceptional costs. These costs should not have been disclosed below the Operating profit line in the profit and loss account and so a reclassification has been shown to disclose these within administrative costs. The restatement has no effect on brought forward profit or net assets

In prior years the company has also recognised a prepayment in respect of elements of the marketing expenditure incurred for the attendance at industry relevant conferences. Where the expenditure relates to attendance at conferences which have already occurred, the company has now decided to expense these costs to the profit and loss account when incurred. In 2010 prepayments as previously stated were £237,232. A restatement of £114,050 has been made to expense these prepayments. The deferred tax consequence of this adjustment is £31,102, resulting in a net restatement to the brought forward profit and loss account of £82,948.

The following corrections of fundamental accounting errors have been made

	2011 £	2010 £
Balance Sheet		
Decrease in prepayments	(41,369)	(114,050)
Increase in deferred tax asset	11,170	31,102
	<hr/>	<hr/>
Decrease in net assets	(30,199)	(82,948)
	<hr/>	<hr/>
Profit and Loss Account		
Increase in admin expenses	(41,369)	(237,374)
Decrease in exceptional expenses	-	123,324
Increase in deferred tax credit	11,170	31,102
	<hr/>	<hr/>
Increase in loss	(30,199)	(82,948)
	<hr/>	<hr/>

Frotrade Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2011

7 TANGIBLE FIXED ASSETS

	<i>Office equipment and furniture & fixtures £</i>
Cost	
At 1 August 2010	254,641
Additions	57,276
Disposals	(2,213)
	<hr/>
At 31 July 2011	309,704
	<hr/>
Depreciation	
At 1 August 2010	179,439
Provided during the year	50,051
Disposals	(982)
	<hr/>
At 31 July 2011	228,508
	<hr/>
Net book value	
At 31 July 2011	81,196
	<hr/>
At 31 July 2010	75,202
	<hr/>

8	STOCKS	2011 £	2010 £
	Goods for resale	80,527	11,701
		<hr/>	<hr/>

9	DEBTORS	2011 £	2010 (as restated) £
	Trade debtors	1,110,375	1,816,843
	Prepayments and accrued income	784,081	233,033
	Corporation tax	42,749	-
	Deferred tax asset (note 13)	115,980	18,676
		<hr/>	<hr/>
		2,053,185	2,068,552
		<hr/>	<hr/>

Trade debtors includes an amount of £237,689 (2010 £nil) which falls due after more than one year

Frogtrade Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2011

10	CREDITORS Amounts falling due within one year	2011 £	2010 £
	Other loan (note 11)	1,205	3,617
	Trade creditors	193,472	184,779
	Corporation tax	-	45,024
	Other taxes and social security costs	462,211	515,889
	Other creditors	12,800	7,855
	Accruals and deferred income	88,864	131,934
		<u>758,552</u>	<u>889,098</u>

11	OTHER LOANS	2011 £	2010 £
	The other loan bears interest at 21.7% per annum and is repayable in monthly instalments of £367		
	Amount repayable within 1 year	1,205	3,617
	Amount repayable in 2 to 5 years	-	1,205
		<u>1,205</u>	<u>4,822</u>

12	CREDITORS Amounts falling due after more than one year	2011 £	2010 £
	Other loan (note 11)	-	1,205
	Deferred income	2,177,255	1,572,170
		<u>2,177,255</u>	<u>1,573,375</u>

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

Frogtrade Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2011

13	DEFERRED TAXATION	2011	2010 (as restated)
		£	£
	The movement in the deferred taxation provision during the year was		
	Asset brought forward	(18,676)	(18,368)
	Credit to the profit and loss	(97,304)	(308)
		<u></u>	<u></u>
	Deferred tax asset	(115,980)	(18,676)
		<u></u>	<u></u>
	The profit for deferred taxation consists of the tax effect of timing differences in respect of	2011	2010
		£	£
	Accelerated capital allowances	14,755	12,426
	Accumulated losses	(130,735)	(31,102)
		<u></u>	<u></u>
		(115,980)	(18,676)
		<u></u>	<u></u>

At 31 July 2011 the company had a deferred tax asset of £130,735 (2010 £nil) arising from the company's accumulated losses for tax purposes to that date. The amount recognised is based on an estimate of reasonably foreseeable future profits for the next year.

14	SHARE CAPITAL	2011	2010
		£	£
	Allotted, issued and fully paid		
	135,385 (2010 106,950) Ordinary shares of 10p each	13,539	10,695
		<u></u>	<u></u>

On 1 September 2010 the company issued 28,435 10p Ordinary shares for a total consideration of £2,000,000.

15	SHARE PREMIUM	2011	2010
		£	£
	Balance at 1 August 2010	230,105	329,905
	Premium on shares issued during year	1,997,156	-
	Capital reduction	-	(99,800)
		<u></u>	<u></u>
	Balance at 31 July 2011	2,227,261	230,105
		<u></u>	<u></u>

Frogtrade Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2011

16	PROFIT AND LOSS ACCOUNT	2011 £	2010 (as restated) £
	Balance at 1 August 2010	343,844	98,421
	(Loss) / profit for the year	(106,477)	245,423
	Balance at 31 July 2011	237,367	343,844

17	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	Share Capital £	Share Premium £	Profit and Loss £	Total £
	Balance as at 1 August 2009	10,695	329,905	98,421	439,021
	Profit for the year as previously stated	-	-	328,371	328,371
	Capital reduction	-	(99,800)	-	(99,800)
	Balance at 31 July 2010 as previously stated	10,695	230,105	426,792	667,592
	Prior year adjustment (note 6)	-	-	(82,948)	(82,948)
	Balance at 31 July 2010 as restated	10,695	230,105	343,844	584,644
	Loss for the financial year	-	-	(106,477)	(106,477)
	Shares issued in the year	2,844	1,997,156	-	2,000,000
	Balance as at 31 July 2011	13,539	2,227,261	237,367	2,478,167

18	CASH FLOWS	2011 £	2010 (as restated) £
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating (loss) / profit	(251,893)	271,699
	Depreciation	50,051	54,109
	Profit on disposal of fixed assets	(1,369)	-
	(Increase) / decrease in stocks	(68,825)	21,552
	Decrease / (increase) in debtors	155,421	(641,750)
	(Decrease) / increase in creditors	(83,112)	242,752
	Increase in deferred income	605,085	499,389
	Net cash flow from operating activities	405,358	447,751

Frotrade Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2011

18	CASH FLOWS (continued)	2011 £	2010 £	
b	Analysis of cash flows for headings netted in the cash flow			
	Returns on investments and servicing of finance			
	Interest received	3,948	-	
	Interest paid	(836)	(12,378)	
	Net cash outflow from returns on investments and servicing of finance	3,112	(12,378)	
	Capital expenditure and financial investment			
	Purchase of tangible fixed assets	(57,276)	(46,915)	
	Sale of tangible fixed assets	2,600	-	
	Net cash outflow from capital expenditure and financial investment	(54,676)	(46,915)	
	Financing			
	Shares issues	2,000,000	-	
	Repayment of loans	(3,617)	(3,617)	
	Capital reduction	-	(99,800)	
		1,996,383	(103,417)	
c	Analysis of changes in net debt	<i>At 31 July</i> 2010 £	<i>Cashflows</i> £	<i>At 31 July</i> 2011 £
	Net cash			
	Cash in hand and at bank	891,662	2,307,404	3,199,066
	Debt			
	Debt due within 1 year	(3,617)	2,412	(1,205)
	Debt due after 1 year	(1,205)	1,205	-
		(4,822)	3,617	(1,205)
	Net funds	886,840	2,311,021	3,197,861

Frogtrade Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2011

19 COMMITMENTS UNDER OPERATING LEASES

At 31 July the company was committed to making the following payments during the next year under non-cancellable operating leases as follows -

	2011		2010	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring within 1 year	-	537	-	-
Expiring between 2 and 5 years	-	4,596	-	4,596
Expiring after more than 5 years	123,189	-	89,138	-
	<hr/>	<hr/>	<hr/>	<hr/>
	123,189	5,133	89,138	4,596
	<hr/>	<hr/>	<hr/>	<hr/>

20 RELATED PARTY TRANSACTIONS

At the year end Mr G Davies had an unpaid loan account in favour of the company to the sum of £nil (2010 £7,000) The maximum balance outstanding was £7,000 and was not interest bearing This loan was repaid before the year end

21 ULTIMATE CONTROLLING PARTY

The directors do not consider there to be one ultimate controlling party