

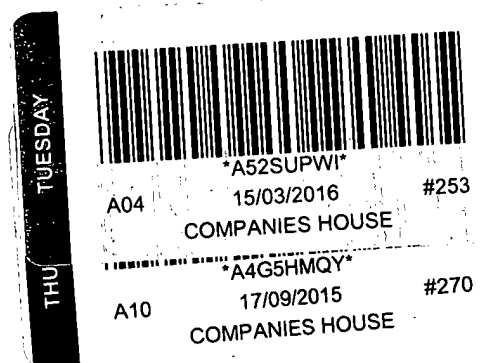
Company Registration No. 3935677

Frog Education Limited

STATUTORY FINANCIAL STATEMENTS

for the year ended

30 June 2015



Frog Education Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M J Bushnell
G J Davies
Lord Sutherland of Houndwood
S L Van Haazel
Yeoh P L
Dato' Yeoh S H

SECRETARY

S Ward

REGISTERED OFFICE

D Mill
Dean Clough
Halifax
HX3 5AX

AUDITOR

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

Frog Education Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Frog Education Limited for the year ended 30 June 2015.

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.

DIRECTORS

The following directors have held office during the year:

M D Booth	Resigned 12 th May 2015
M J Bushnell	
G P S Calvert OBE	Resigned 10 th May 2015
G J Davies	
T S K Isa	Resigned 24 th December 2014
B S Levi	Resigned 6 th May 2015
Lord Sutherland of Houndwood	
S L Van Haazel	
Yeoh P L	
Dato' Yeoh S H	

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the Company.

AUDITOR

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

STRATEGIC REPORT STATEMENT

In accordance with section 414(c) of the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, the company has presented a strategic report which includes information that would previously have been included in the 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 has 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.

On behalf of the board



G J Davies
Director

Date: 11th SEPTEMBER 2015

Frog Education Limited

STRATEGIC REPORT

REVIEW OF THE BUSINESS

Overall results are in line with expectations. Turnover for the year was £7.0m (2014: £9.2m) and operating loss was £585k (operating profit 2014: £1.4m).

The business has reacted to more demanding market conditions by developing a broader product range to meet new and differing customer needs with tailored solutions, through significant investment in development.

The Company has invested in a number of strategic partnerships and has worked closely with the National Association of Head Teachers (NAHT) to ensure that its newly launched FrogProgress product is designed to optimise the findings of its Assessment Commission. It has also successfully licensed its software to the National Theatre via a bespoke solution.

The Company has consolidated its investment in I Education Limited, with the remaining 49% being acquired by Frog Education Group Limited: the Frog Education Limited's newly created parent company. Following a group restructuring, the trade and assets of I Education Limited were transferred to Frog Education Limited in April 2015.

The directors use a number of financial and non-financial key performance indicators to manage the business, including: cash generation, customer retention, customer engagement, profitability, product delivery and development defect threshold.

FUTURE DEVELOPMENTS

The Company continues to have a global product strategy based on its vision to improve education through technology and will further its focus on thought leadership in the education sector.

The Business plans to invest significantly in product development to further enhance its current product range to better suit the changing needs of customers as well as to develop new products.

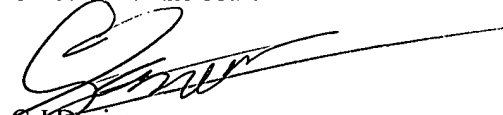
The Company plans to commit further resource to assisting schools to achieve better educational outcomes through the use of Frog solutions.

During the year the business has invested in new global markets and is enriching its products to ensure that they meet the needs of new markets and users outside the UK.

FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The directors seek to manage the Company's exposure to financial risk where appropriate. Due to the nature of its customers, the Company's credit risk is not considered significant. The directors monitor the Company's cash flows and liquidity on a regular basis to ensure that all obligations are met when due. The Company has no borrowings and so is not materially exposed to interest rate risk. All significant overseas trading is conducted in sterling so the Company is not materially exposed to foreign exchange risk.

On behalf of the board



G.J. Davies
Director

11th September 2015

Frog Education Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report, the Strategic 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 FROG EDUCATION 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 30 June 2015 and of its profit 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 and the Strategic 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.

Baker Tilly UK Audit LLP

ANDREW ALLCHIN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

2 Whitehall Quay

Leeds

LS1 4HG

Date: 11 September 2015

Frog Education Limited

Profit and Loss Account

For the year ended 30 June 2015

	Notes	Acquired operations £	Continuing operations £	2015 £	2014 £
TURNOVER	1	141,774	6,877,493	7,019,267	9,207,554
Cost of sales		-	(208,131)	(208,131)	(380,424)
Gross profit		141,774	6,669,362	6,811,136	8,827,130
Administration expenses		(70,790)	(7,325,011)	(7,395,801)	(7,389,251)
OPERATING (LOSS)/PROFIT	2	70,984	(655,649)	(584,665)	1,437,879
Interest paid				(91)	-
Interest receivable and similar income	5			19,517	29,899
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				(565,239)	1,467,778
Tax on loss/profit on ordinary activities	6			(217,408)	(264,030)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	16			(782,647)	1,203,748

Acquired turnover relates to the release of deferred income arising on the transfer of customer contracts from I Education Limited.

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Frog Education Limited

Balance Sheet
As at 30 June 2015

Company Registration No. 3935677

	Notes	2015 £	2014 £
FIXED ASSETS			
Investments	7	-	1,071,760
Intangible assets	8	221,140	-
Tangible assets	9	163,001	217,549
		<u>384,141</u>	<u>1,289,309</u>
CURRENT ASSETS			
Stocks	10	11,287	24,787
Debtors due within one year	11	2,618,343	3,931,345
Debtors due after one year	11	73,080	163,696
Cash at bank and in hand		3,981,109	4,836,512
		<u>6,683,819</u>	<u>8,956,340</u>
CREDITORS: Amounts falling due within one year	12	<u>(2,203,155)</u>	<u>(3,556,061)</u>
NET CURRENT ASSETS		<u>4,480,664</u>	<u>5,400,279</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,864,805</u>	<u>6,689,588</u>
CREDITORS: Amounts falling due after more than one year	13	<u>(133,670)</u>	<u>(104,046)</u>
NET ASSETS		<u>4,731,135</u>	<u>6,585,542</u>
CAPITAL AND RESERVES			
Called up share capital	15	14,028	14,028
Share premium account	16	2,296,144	2,296,144
Capital redemption reserve	16	68	68
Profit and loss account	16	2,420,895	4,275,302
		<u>4,731,135</u>	<u>6,585,542</u>
SHAREHOLDERS' FUNDS	16	<u>4,731,135</u>	<u>6,585,542</u>

The financial statements on pages 6 to 20 were approved by the board of directors and authorised for issue on ~~11th~~ ^{11th} SEPTEMBER 2015 and are signed on its behalf by:


G.J. Davies
Director

Frog Education Limited

Cash Flow Statement

For the year ended 30 June 2015

	<i>Notes</i>	2015 £	2014 £
Cash flow from operating activities	17a	(812,963)	1,096,066
Returns on investments and servicing of finance	17b	19,426	29,899
Taxation		(196,778)	107,004
Capital expenditure and financial investment	17b	(48,234)	(63,863)
Acquisitions and disposals	17b	183,146	-
		<hr/>	<hr/>
CASH (OUTFLOW)/INFLOW IN THE YEAR		(855,403)	1,169,106
		<hr/>	<hr/>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		2015 £	2014 £
(Decrease)/Increase in cash in the year	17c	(855,403)	1,169,106
		<hr/>	<hr/>
Change in net funds	17c	(855,403)	1,169,106
Opening net funds		4,836,512	3,667,406
		<hr/>	<hr/>
Closing net funds	17c	3,981,109	4,836,512
		<hr/>	<hr/>

Frog Education Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Standards.

GROUP ACCOUNTS

Following the group restructure, the Company is now a subsidiary and has not prepared group accounts. Prior to this, the Company was entitled to the exemption under Section 401 of the Companies Act 2006 from the obligation to prepare group accounts.

GOING CONCERN

As at 30 June 2015 the Company had cash reserves of £3,981,109 and net current assets of £4,480,664. There are no bank borrowings. The Company is expecting to further consolidate its financial position during the year ending 30 June 2016 and beyond. 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 from the date of approval of the financial statements.

INVESTMENTS

Fixed asset investments are stated at cost in the Company balance sheet. The directors have considered impairment by reference to forecast future cash flows of the acquired business and do not consider there to be any requirement for impairment.

INTANGIBLE ASSETS

Goodwill represents the excess of the consideration over the net book value of the identifiable trade and assets transferred from a fellow subsidiary.

Goodwill is recorded at amortised cost less any provision for impairment. Any impairment is recognised immediately in the profit and loss account.

Amortisation is provided at rates calculated to write off the goodwill over its estimated useful life of 5 years.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets as follows:

Leasehold improvements	depreciated over the lease term
Office equipment and furniture and fixtures	depreciated over 3-5 years on a straight line basis

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Frog Education Limited

ACCOUNTING POLICIES

RESEARCH AND DEVELOPMENT

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

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 lessor.

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, 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.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

PENSIONS

Payments to defined contribution pension schemes are recognised in the period in which they are payable.

Frog Education Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2015

1	TURNOVER	2015 %	2014 %
	Percentage of turnover relating to non-UK markets	25	49
2	OPERATING PROFIT	2015 £	2014 £
	Operating profit is stated after charging / (crediting):		
	Amortisation	7,626	-
	Depreciation of owned assets	113,751	111,868
	Auditor's remuneration – audit services	19,000	14,850
	– non-audit services in respect of taxation	3,800	31,845
	Operating lease charges – land and buildings	149,270	143,520
	Operating lease charges – other	5,629	5,629
	Foreign exchange loss	594	-
	Exceptional item resulting from legal claim	-	(140,000)
3	STAFF COSTS	2015 No.	2014 No.
	The average monthly number of persons (including directors) employed by the Company during the year was:	125	122
		2015 £	2014 £
	Staff costs for the above persons:		
	Wages and salaries	4,389,824	4,464,814
	Social security costs	442,513	452,434
	Other pension costs	205,206	130,740
		5,037,543	5,047,988

Frog Education Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

4	DIRECTORS' EMOLUMENTS	2015 £	2014 £
	Aggregate emoluments including benefits in kind	590,725	518,066
	Company contribution paid to a money purchase pension scheme	16,035	5,563
		<u>606,760</u>	<u>523,629</u>
		No.	No.
	Number of directors to whom retirement benefits are accruing under money purchase schemes	2	1
		<u>2</u>	<u>1</u>
5	INTEREST RECEIVABLE AND SIMILAR INCOME	2015 £	2014 £
	Bank interest receivable	19,517	29,899
		<u>19,517</u>	<u>29,899</u>
6	TAX ON PROFIT ON ORDINARY ACTIVITIES	2015 £	2014 £
	UK Corporation tax		
	Charge for the year at 20.75% (2014: 22.5%)	217,408	344,160
	Adjustments in respect of prior periods	-	(80,130)
		<u>217,408</u>	<u>264,030</u>
	Total current tax	217,408	264,030
	Deferred taxation		
	Charge / (credit) for the year	-	-
		<u>-</u>	<u>-</u>
	Total deferred tax	-	-
		<u>-</u>	<u>-</u>
	Tax charge	217,408	264,030
		<u>217,408</u>	<u>264,030</u>

Frog Education Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

6	TAX ON PROFIT ON ORDINARY ACTIVITIES <i>(continued)</i>	2015 £	2014 £
	Factors affecting tax charge for the year		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20.75% (2014: 22.5%). The differences are explained below:		
	(Loss)/Profit on ordinary activities before tax	(565,239)	1,467,778
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.75% (2014: 22.5%)	(117,287)	330,250
	Effects of:		
	Expenses not deductible for tax purposes	13,567	13,910
	Research and developments reliefs	-	-
	Depreciation in excess of capital allowances	-	-
	Other short-term timing differences	-	-
	Adjustments in respect of prior periods	-	(80,130)
	Foreign income taxed at different rates	321,128	-
	Current tax charge for the year	217,408	264,030

7	FIXED ASSET INVESTMENTS	Shares in subsidiary undertaking £
	At 30 June 2014	1,071,760
	Dividend-in-specie	(1,071,760)
	At 30 June 2015	-

On 23 April 2015, the Company transferred its shareholding in I Education Limited to Frog Education Group Limited via a dividend-in-specie. See note 21.

Investments consist of the following subsidiary undertakings:

Subsidiary undertaking	Country of registration or incorporation	Nature of business	Class of shares held	Proportion of shares held
I Education Limited	England & Wales	Educational software	Ordinary shares	nil (2014:51%)

Frog Education Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

8 INTANGIBLE ASSETS

	Goodwill £
COST	
At 30 June 2014	-
Additions	228,766
	<u>228,766</u>
At 30 June 2015	<u>228,766</u>
AMORTISATION	
At 30 June 2014	-
Charge for the year	7,626
	<u>7,626</u>
At 30 June 2015	<u>7,626</u>
NET BOOK VALUE	
At 30 June 2015	-
	<u>-</u>
At 30 June 2014	<u>221,140</u>

Goodwill arose upon the transfer of I Education Limited's trade and assets on 23rd April 2015. See note 21.

Frog Education Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

9 TANGIBLE FIXED ASSETS

	<i>Leasehold improvements</i>	<i>Office equipment and furniture & fixtures</i>	<i>Total</i>
	£	£	£
COST			
At 30 June 2014	138,427	317,274	455,701
Additions	4,230	44,004	48,234
Transfer (see note 21)	2	10,967	10,969
	<hr/>	<hr/>	<hr/>
At 30 June 2015	142,659	372,245	514,904
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 30 June 2014	60,983	177,169	238,152
Provided during the year	34,849	78,902	113,751
	<hr/>	<hr/>	<hr/>
At 30 June 2015	95,832	256,071	351,903
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 30 June 2015	46,827	116,174	163,001
	<hr/>	<hr/>	<hr/>
At 30 June 2014	77,444	140,105	217,549
	<hr/>	<hr/>	<hr/>

10 STOCKS

	2015	2014
	£	£
Goods for resale	11,287	24,787
	<hr/>	<hr/>

Frog Education Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

11 DEBTORS

	2015 £	2014 £
Due within one year:		
Trade debtors	1,471,226	1,397,576
Prepayments and accrued income	370,526	2,405,041
Other debtors	48,865	83,572
Amounts owed by parent undertaking	572,448	-
Corporation tax debtor	151,832	41,710
Deferred tax asset (note 14)	3,446	3,446
	<u>2,618,343</u>	<u>3,931,345</u>
Due after one year:		
Prepayments and accrued income	<u>73,080</u>	<u>163,696</u>

12 CREDITORS: Amounts falling due within one year:

	2015 £	2014 £
Trade creditors	204,466	277,322
Other taxes and social security costs	318,490	419,125
Other creditors	50	178
Amounts owed to fellow subsidiary	8,000	-
Accruals and deferred income	1,672,149	2,859,436
	<u>2,203,155</u>	<u>3,556,061</u>

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

Included within accruals is £18,445 of unpaid pension contributions (2014: £12,901).

13 CREDITORS: Amounts falling due after more than one year

	2015 £	2014 £
Deferred income	<u>133,670</u>	<u>104,046</u>

Frog Education Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

14 DEFERRED TAXATION

	2015 £	2014 £
The movement in the deferred taxation provision during the year was:		
Asset brought forward	(3,446)	(3,446)
Charged / (credited) to the profit and loss account	-	-
	<u>(3,446)</u>	<u>(3,446)</u>
Deferred tax asset		
	<u>(3,446)</u>	<u>(3,446)</u>
The deferred taxation balance consists of the tax effect of timing differences in respect of:		
Delayed capital allowances	(3,446)	(3,446)
	<u>(3,446)</u>	<u>(3,446)</u>

15 SHARE CAPITAL

	2015 £	2014 £
Allotted, issued and fully paid: 140,277 Ordinary shares of 10p each	14,028	14,028
	<u>14,028</u>	<u>14,028</u>

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £	Share Premium £	Capital Redemption reserve £	Profit and Loss £	Total £
As at 30 June 2013	14,028	2,296,144	68	3,071,554	5,381,794
Profit for the financial year	-	-	-	1,203,748	1,203,748
	<u>14,028</u>	<u>2,296,144</u>	<u>68</u>	<u>4,275,302</u>	<u>6,585,542</u>
As at 30 June 2014	14,028	2,296,144	68	4,275,302	6,585,542
Loss for the financial year	-	-	-	(782,647)	(782,647)
Dividend-in-specie (note 21)	-	-	-	(1,071,760)	(1,071,760)
	<u>14,028</u>	<u>2,296,144</u>	<u>68</u>	<u>2,420,895</u>	<u>4,731,135</u>
As at 30 June 2015	14,028	2,296,144	68	2,420,895	4,731,135

Frog Education Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

17	CASH FLOWS	2015	2014
		£	£
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating (loss)/profit	(584,665)	1,437,879
	Depreciation	113,751	111,868
	Amortisation	7,626	-
	Decrease in stocks	13,500	78,912
	Decrease in debtors	1,536,598	522,875
	(Decrease) / Increase in creditors	(281,807)	29,377
	(Decrease) in deferred income	(1,617,966)	(1,084,845)
		<hr/>	<hr/>
	Net cash flow from operating activities	(812,963)	1,096,066
		<hr/>	<hr/>
		2015	2014
		£	£
b	Analysis of cash flows for headings netted in the cash flow statement		
	Returns on investments and servicing of finance		
	Interest received	19,517	29,899
	Interest paid	(91)	-
		<hr/>	<hr/>
	Net cash inflow from returns on investments and servicing of finance	19,426	29,899
		<hr/>	<hr/>
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(48,234)	(63,863)
		<hr/>	<hr/>
	Net cash outflow from capital expenditure and financial investment	(48,234)	(63,863)
		<hr/>	<hr/>
	Acquisitions and disposals		
	Cash acquired on transfer of trade and assets	183,146	-
		<hr/>	<hr/>

Frog Education Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

17 CASH FLOWS *(continued)*

c	Analysis of changes in net funds	2014 £	Cash flows £	2015 £
	Net cash			
	Cash in hand and at bank	4,836,512	(855,403)	3,981,109
		<u> </u>	<u> </u>	<u> </u>
	Debt	-	-	-
		<u> </u>	<u> </u>	<u> </u>
	Net funds	4,836,512	(855,403)	3,981,109
		<u> </u>	<u> </u>	<u> </u>

18 COMMITMENTS UNDER OPERATING LEASES

At 30 June 2015 the Company was committed to making the following payments during the next year under non-cancellable operating leases as follows:-

	2015		2014	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring within 1 year	6,250	-	-	-
Expiring between 1 and 2 years	143,520	5,629	-	-
Expiring between 2 and 5 years	-	-	143,520	5,629
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19 RELATED PARTY TRANSACTIONS

The aggregate emoluments of the highest paid director in the period were £328,584 (2014: £306,400), including pension contributions of £9,450 (2014: nil).

During the year, Mr G Davies had a loan account in favour of the Company. The loan had a maximum balance outstanding of £1,130 (2014: £493) and was not interest bearing. The balance at year end was £1,130 (2014: £nil)

During the year, S L Van Haazel had a loan of £9,000 from the Company which remained outstanding at the year end. The maximum balance outstanding was £9,000 (2014: £9,000) and was not interest bearing. The balance is included within other debtors.

During the year, the Company paid £4,500 to SH & MW Commercial, a partnership owned by S Holt and M Wilkinson who were shareholders and directors of I Education Limited, in respect of rent charges for its Doncaster office. There was no balance owing at the year end.