

Company Registration No. 09989153 (England and Wales)

**FROG BIKES MANUFACTURING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2022**  
**PAGES FOR FILING WITH REGISTRAR**

# FROG BIKES MANUFACTURING LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr J Lawson Mrs S Lawson
<b>Company number</b>	09989153
<b>Registered office</b>	Unit A Mamhilad Park Estate Pontypool Gwent Wales NP4 0HZ
<b>Auditors</b>	Harwood Hutton Limited 22 Wycombe End Beaconsfield Buckinghamshire HP9 1NB

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# FROG BIKES MANUFACTURING LIMITED

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# FROG BIKES MANUFACTURING LIMITED

## BALANCE SHEET

AS AT 28 FEBRUARY 2022

		2022		2021 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	3		704,080		741,200
<b>Current assets</b>					
Stocks		5,472,945		2,758,089	
Debtors	4	1,008,244		1,451,613	
Cash at bank and in hand		4,858		61,566	
		<u>6,486,047</u>		<u>4,271,268</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(8,517,199)</u>		<u>(3,982,224)</u>	
<b>Net current (liabilities)/assets</b>			<u>(2,031,152)</u>		<u>289,044</u>
<b>Total assets less current liabilities</b>			<u>(1,327,072)</u>		<u>1,030,244</u>
<b>Creditors: amounts falling due after more than one year</b>	6		<u>(54,168)</u>		<u>(145,903)</u>
<b>Net (liabilities)/assets</b>			<u><u>(1,381,240)</u></u>		<u><u>884,341</u></u>
<b>Capital and reserves</b>					
Called up share capital	7	1,125,100		1,125,100	
Profit and loss reserves		<u>(2,506,340)</u>		<u>(240,759)</u>	
<b>Total equity</b>			<u><u>(1,381,240)</u></u>		<u><u>884,341</u></u>

The directors of the company have elected not to include a copy of the profit and loss account 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 27 February 2023 and are signed on its behalf by:

Mr J Lawson  
Director

Mrs S Lawson  
Director

Company Registration No. 09989153

# FROG BIKES MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

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### 1 Accounting policies

#### Company information

Frog Bikes Manufacturing Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit A, Mamhilad Park Estate, Pontypool, Gwent, Wales, NP4 0HZ.

#### 1.1 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. Monetary amounts in these financial statements are rounded to the nearest £.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Frog Bikes Limited. These consolidated financial statements are available from its registered office, Unit 7-9 Silwood Business Centre Silwood Park, Buckhurst Road, Ascot, Berkshire, England, SL5 7PW.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the entity will sell its trade and assets to its immediate parent entity at fair value within the next 12 months. Following this transaction, the company would be liquidated.

The financial statements are prepared on a basis other than going concern accordingly. The directors do not consider there to be a material difference between the financial position presented under either accounting basis.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of bicycles, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

# FROG BIKES MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

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### 1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 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	4 years straight line
Plant and equipment	3, 5 or 10 years straight line
Fixtures and fittings	3 years straight line
Computers	3 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.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

##### **Basic financial assets**

Short term debtors are measured at transaction price less any provision for impairment. Loans receivable are measured initially at fair value, net of transaction costs and are subsequently carried at amortised costs using the effective interest method, less any provision for impairment.

# FROG BIKES MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans and loans from fellow group companies are measured initially at fair value, net of transaction costs and are subsequently carried at amortised costs using the effective interest method.

#### **1.8 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.

#### **1.9 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.10 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### **1.11 Government grants**

In response to COVID-19, the UK government announced a number of initiative for businesses. The company has received financial assistance under the Coronavirus Job Retention Scheme and the amount recognised has been recognised in the profit and loss account within other operating income.

The company also received an amount from the Welsh government under the decarbonisation grant which has been accounted for under the performance model and has also been recognised in the profit and loss account within other operating income.

#### **1.12 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### **1.13 Financial risk management**

The company enters into trade finance loan agreements in foreign currencies and as such is exposed to foreign exchange risk. To protect cash flows against high levels of exchange rate risk, the net exposure is calculated and forward exchange contracts are entered into to limit this risk.

These assets are included at fair value through profit and loss and are valued in the financial statements based on their market value at the balance sheet date. These assets are generally de-recognised when the contract that gives rise to them is settled, sold, cancelled or expires.

# FROG BIKES MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	46	40

### 3 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 March 2021	368,948	1,122,037	1,490,985
Additions	50,358	64,709	115,067
Transfers	-	592	592
At 28 February 2022	419,306	1,187,338	1,606,644
<b>Depreciation and impairment</b>			
At 1 March 2021	361,063	388,722	749,785
Depreciation charged in the year	11,289	140,899	152,188
Transfers	(14,428)	15,019	591
At 28 February 2022	357,924	544,640	902,564
<b>Carrying amount</b>			
At 28 February 2022	61,382	642,698	704,080
At 28 February 2021	7,885	733,315	741,200

### 4 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	5,527	-
Amounts owed by group undertakings	172,727	809,791
Other debtors	829,990	641,822
	1,008,244	1,451,613

# FROG BIKES MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

### 5 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	1,899,464	1,175,107
Trade creditors	223,967	128,298
Amounts owed to group undertakings	5,566,634	2,034,555
Taxation and social security	21,976	17,636
Other creditors	805,158	626,628
	<u>8,517,199</u>	<u>3,982,224</u>

Bank loans and overdrafts totalling £1,840,969 (2021 - £1,175,107) are secured by way of fixed and floating charge of all property, assets and rights of the company present and future not subject to a fixed charge.

Included in other creditors are hire purchase and finance lease obligations of £93,037 (2021 - £117,809) that are secured by fixed charges over the assets to which they relate.

### 6 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other creditors	<u>54,168</u>	<u>145,903</u>

Included in other creditors are hire purchase and finance lease obligations of £54,168 (2021 - £145,903) that are secured by fixed charges over the assets to which they relate.

### 7 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
<b>Ordinary share capital issued and fully paid</b>				
Ordinary shares of £1 each	<u>1,125,100</u>	<u>1,125,100</u>	<u>1,125,100</u>	<u>1,125,100</u>

### 8 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.

#### **Emphasis of matter - financial statements prepared on a basis other than going concern**

We draw attention to Note 1.2 to the financial statements which explains that the directors intend to sell the company's trade and assets to the immediate parent entity at fair value before liquidating the company, and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1.2. Our opinion is not modified in respect of this matter.

The senior statutory auditor was Keir Singleton and the auditor was Harwood Hutton Limited.

# FROG BIKES MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

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### 9 Financial commitments, guarantees and contingent liabilities

Frog Bikes Manufacturing Limited has provided a cross guarantee for the amounts loaned to its parent company Frog Bikes Limited by its Shareholders, who are also directors of the company. At 28 Feb 2022 the amount loaned was £2,941,065 (2021 - £3,173,660).

### 10 Operating lease commitments

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

	2022	2021
	£	£
Within one year	215,000	215,000
Between two and five years	813,750	1,028,750
	<u>1,028,750</u>	<u>1,243,750</u>

### 11 Related party transactions

The company is a wholly owned member of the group and as such has taken advantage of the exemption permitted by Section 1AC.35 'Related Party Disclosures', not to provide disclosures of transactions entered into with other wholly-owned members of the group.

### 12 Parent company

The immediate & ultimate parent undertaking of Frog Bikes Manufacturing Limited is Frog Bikes Limited, a company incorporated in England & Wales. Its registered office is Unit 7-9 Silwood Business Centre Silwood Park, Buckhurst Road, Ascot, Berkshire, England, SL5 7PW.

The ultimate controlling party of Frog Bikes Manufacturing Limited is J Lawson & S Lawson by virtue of their joint shareholdings in Frog Bikes Limited.

The largest and smallest group of undertakings for which group financial statements have been drawn up including Frog Bikes Manufacturing Limited is that headed by Frog Bikes Limited whose financial statements are publicly available from Companies House.

### 13 Prior period adjustment

# FROG BIKES MANUFACTURING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

### 13 Prior period adjustment (Continued)

#### Reconciliation of changes in equity

		29 February 2020	28 February 2021
	Notes	£	£
<b>Adjustments to prior year</b>			
Irrecoverable anti-dumping duties	1	-	(256,490)
Equity as previously reported		(1,336,549)	1,140,831
Equity as adjusted		<u>(1,336,549)</u>	<u>884,341</u>

#### Analysis of the effect upon equity

Profit and loss reserves		-	(256,490)
		<u>-</u>	<u>(256,490)</u>

#### Reconciliation of changes in profit for the previous financial period

		2021 £
	Notes	£
<b>Adjustments to prior year</b>		
Irrecoverable anti-dumping duties	1	(256,490)
Profit as previously reported		2,477,380
Profit as adjusted		<u>2,220,890</u>

#### Notes to reconciliation

##### Irrecoverable anti-dumping duties

Anti-dumping duties that were previously deemed recoverable may still be recoverable but there is no legal mechanism to do this at the year end and so have been written off to the profit and loss.

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