### Report of the Directors and

## Financial Statements for the Year Ended 31 December 2018

<u>for</u>

Forward Partners Management Company Limited

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# Contents of the Financial Statements for the Year Ended 31 December 2018

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Income Statement	. 6
Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10
Profit and Loss Account	17

Company Information for the Year Ended 31 December 2018

DIRECTORS:

N G Brisbourne

J McKay

REGISTERED OFFICE:

Commercial Unit 2 Aurora Buildings

124 East Road London N1 6FD

REGISTERED NUMBER:

08819822 (England and Wales)

SENIOR STATUTORY AUDITOR: Joseph Kinton

**AUDITORS:** 

Shipleys LLP

Chartered Accounts & Statutory Auditors
10 Orange Street
Haymarket
London WD2H 7DQ

## Report of the Directors

for the Year Ended 31 December 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

#### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Venture Capitalist.

#### DIVIDENDS

A dividend of £100,000 was distributed during the year ended 31st December 2018 (2017 - £NIL)

#### DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

N G Brisbourne J McKay

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable lay and requirements.

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 Account 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 these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make Judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# Report of the Directors for the Year Ended 31 December 2018

#### AUDITORS

The auditors, Shipleys LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

## ON BEHALF OF THE BOARD:

N G Brisbourne - Director

Date: 23/C(/19

## Report of the Independent Auditors to the Members Forward Partners Management Company Limited

Opinion

We have audited the financial Statements of Forward Partners Management Company Limited (the 'company' for the year ended 31 December 2018 on pages six to sixteen. 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 company's affairs as at 31 December 2018 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.

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 Auditors' 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 UK, including the FRC'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 of our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial

statements is not appropriate; or

the directors have not disclosed in the financial statements any identified material uncertainties that
may cast significant doubt about the company's ability to continue to adopt the going concern basis
of accounting for a period of at least twelve months from the date when the financial statements are
authorised for issue.

#### Other Information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon,

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

## Report of the Independent Auditors to the Members of Forward Partners Management Company Limited

### 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 Report of the Directors

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 no visited by us; or
- the financial statements are not in agreements 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 required for our audit.

#### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Our 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <a href="https://www.frc.org.uk/auditorsresponsibilities">www.frc.org.uk/auditorsresponsibilities</a>. This description forms part of our Report of the Auditors.

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 matter we are required to state to them in a Report of the Auditors 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 formed.

Joseph Kinton (Senior Statutory Auditor)

For and on behalf of Shipleys LLP

Chartered accountants & Statutory Auditors

10 Orange Street

Haymarket

London, WD2H 7DQ

23/04/2019

## Income Statement for the Year Ended 31 December 2018

	Notes	31.12.18 £	31.12.17 £
TURNOVER		2,862,045	2,962,037
Administrative expenses		<u>2,644,617</u>	<u>2,476,269</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	217,428	485,768
Tax on profit on ordinary activities	6	46,079	<u>97,616</u>
PROFIT FOR THE FINANCIAL YEAR		171,349	388,152

## Other Comprehensive Income for the Year Ended 31 December 2018

	31.12.18 Notes £	31.12.17 £
PROFIT FOR THE YEAR	171,349	388,152
OTHER COMPREHENSIVE INCOME	*	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	171,349	388,152

## Forward Partners Management Company Limited (Registered number: 08819822)

## Statement of Financial Position 31 December 2018

		31.12.	18	31.12.1	7
	Notes	£	£	£	£
FIXED ASSETS	_		00.044		00.000
Tangible assets	7 8		28,214		26,283
Investments	В		2		2
			28,216		26,285
CURRENT ASSETS					
Debtors	9	254,474		178,306	
Cash in hand		801,448		769,917	
		1,055,922		948,223	
CREDITORS	10	EE4 204		514,213	
Amounts falling due within one year	10	551,384		014,210	
NET CURRENT ASSETS/(LIABILITI	ES)		504,538		434,010
TOTAL ASSETS LESS CURRENT					
LIABILITIES			532,754		460,295
PROVISIONS FOR LIABILITIES	12		<u>4,796</u>		3,686
NET ACCETO			507 OS9		456,609
NET ASSETS			527,958		430,003
CAPITAL AND RESERVES					
Called up share capital	13		1		1
Retained earnings	14		<u>527,957</u>		456,608
OHADEHOLDEBO FINIS			E37 0E0		456,609
SHAREHOLDERS FUNDS			527,958	, ,	+30,008
			$\mathcal{D}^{\cdot}$	3/04/201	9

N G Brisbourne - Director

## Statement of Changes in Equity for the Year Ended 31 December 2018

Balance at 1 January 2017	Called up share capital £ 1	Retained earnings £ 68,456	Total equity £ 68,457
Changes in equity Issue of share capital Total comprehensive income	<u></u>	388 <u>,152</u>	388,152
Balance at 31 December 2017	1	456,608	456,609
Changes in equity Total comprehensive income Dividends	<u>.</u>	171,349 (100,000)	171,349 (100,000)
Balance at 31 December 2018	1	527,957	527,958

#### Notes to the Financial Statements for the Year Ended 31 December 2018

#### STATUTORY INFORMATION

Forward Partners Management Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company information page.

#### **ACCOUNTING POLICIES** 2.

#### Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

#### Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

the requirements of Section 7 Statement of Cash Flows.

#### Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold Fixtures and fittings - 20% on cost

Computer equipment

- 25% on cost

- 33% on cost

#### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statements except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted of substantively enacted by the statement of financial position date.

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes to the Financial Statements - continued for the Year Ended 31 December 2018

#### 2. ACCOUNTING POLICIES - continued

Other operating leases Depreciation - owned assets

Auditors remuneration

Profit on disposal of fixed assets

#### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

#### 3. **EMPLOYEES AND DIRECTORS** 31.12.18 31.12.17 1,370,658 1,268,032 Wages and salaries Social security costs 187,884 151,788 Other pension costs 59,003 31,813 1,617,545 1,451,633 The average monthly number of employees during the year was as follows: 31.12.17 31.12.18 Staff 16 15 200,082 361,057 Directors' remuneration Directors' pension contributions to money purchase schemes 10,136 7,048 Information regarding the highest paid director is as follows: 200,082 200,846 Emoluments etc Pension contributions to money purchase schemes 4,964 10,136 4. **OPERATING PROFIT** The operating profit is stated after charging/(crediting): 31,12,18 31.12.17 £

126,042

14,142

46,234

125,667

15,676 (704)

41,500

# Notes to the Financial Statements - continued for the Year Ended 31 December 2018

## 5. EXCEPTIONAL ITEMS

6.

•	EXOLI FIGURE (FAMO		
		31.12.18 £	31.12.17 £
	Exceptional items	( <u>110,155</u> )	(204,926)
•	TAXATION		
	Analysis of the tax charge The tax charge on the profit on ordinary activities for the year was as follows:	ows: 31.12.18 £	31.12.17 £
	Current tax: UK corporation tax	~ 44,969	97,259
	Deferred tax	1,110	357
	Tax on profit on ordinary activities	46,079	97,616
	Reconciliation of total tax charge included in profit and loss The tax assessed for the year is higher than the standard rate of corpor difference is explained below:	ration tax in th	ne UK. The
		31.12.18 £	31.12.17 £
	Profit before tax	217,428	485,768
	Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 – 19%)	41,311	92,296
	Effects of: Expenses not deductible for tax purposes Capital allowances in excess of depreciation Depreciation in excess of capital allowances Adjustments to tax charge in respect of previous periods Marginal Relief Profit on Disposal of Fixed assets Deferred Tax	4,024 3,054 - - - - 1,110	3,085 201 1,246 431 357
	Total tax charge	46,079	97,616

# Notes to the Financial Statements - continued for the Year Ended 31 December 2018

## 7. TANGIBLE FIXED ASSETS

		Fixtures		
	Long leasehold £	and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2018	20,323	7,241	33,667	61,231
Additions		3,844	12,229	<u>16,073</u>
At 31 December 2018	20,323	11,085	45,896	77,304
DEPRECIATION				
At 1 January 2018	13, <del>44</del> 2	4,001	17,505	34,948
Charge for year	<u>4,125</u>	1,888	8,129	<u>14,142</u>
At 31 December 2018	<u>17,567</u>	5,889	25,634	49,090
NET BOOK VALUE				
At 31 December 2018	2,756	5,196	20,262	28,214
At 31 December 2017	6,881	3,240	16,162	26,283
	<del></del>			

# Notes to the Financial Statements - continued for the Year Ended 31 December 2018

## 8. FIXED ASSET INVESTMENTS

TIMES MOSE INVESTMENTS		ur	Shares in group ndertakings £
COST At 1 January 2018 and 31 December 2018			2
NET BOOK VALUE At 31 December 2018			2
At 31 December 2017			2
The company's investments at the Statement of companies include the following:	Financial Position	date in the share	e capital of
Forward Partners General Partners Limited Country of Incorporation: England and Wales Nature of business: Venture Capitalist			
Class of shares: Ordinary	% holding 100.00	31.12.18	31.12.17
Aggregate capital and reserves Profit/(loss) for the year/period		£ 18,999 10,720	£ 8,278 (10,559)
Forward Partners Carried Interest General Par Country of incorporation: Scotland Nature of business: Dormant Company	•		
Class of shares: Ordinary	% holding 100.00	31.12.18	31.12.17
Aggregate capital and reserves		£ 1	£ 1

# Notes to the Financial Statements - continued for the Year Ended 31 December 2018

9.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
٧.		31.12.18	31.12.17
		£	£
	Trade debtors	86,314	59,909
	Amounts owed by group undertakings	15,761	2,912
	Other debtors	3,833	3,000
	VAT	22,123	53,898
	Prepayments and accrued income	126,443	58,587
	· · · · · · · · · · · · · · · · · · ·	<del></del>	
		254,474	178,306
			<del></del>
10.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		31.12.18	31.12.17
		£	£
	Trade creditors	17,483	55,883
	Amounts owed to group undertakings		2,239
	Social security and other taxes	104,655	146,816
	Other creditors	27,889	20,006
	Accruals and deferred income	401,357	289,269
		551,384	514,213
11.	LEASING AGREEMENTS		
	Minimum lease payments under non-cancellable operating leases fall due	as follows:	
		31.12.18	31.12.17
		£	£
	Within one year	147,943	130,000
	Between one and five years	<u>132,370</u>	27,083
		280,313	<u> 157,083</u>
12.	PROVISIONS FOR LIABILITIES		
		31.12 <i>.</i> 18	31.12.17
		£	£
	Deferred tax	<u>4,796</u>	<u>3,686</u>
		<del></del>	
			Deferred
			tax
			£
	Balance at 1 January 2018		3,686
	Provided during year		<u>1,110</u>
	Balance at 31 December 2018		<u>4,796</u>

## Notes to the Financial Statements - continued for the Year Ended 31 December 2018

#### 13. CALLED UP SHARE CAPITAL

14.

Allotted, iss	sued and fully paid:			
Number:	Class:	Nominal value:	31.12.18 £	31.12.17 £
1	Ordinary £1 Share	1.00	1	1
RESERVE	•			
RESERVE	•			Retained
				earnings £

 At 1 January 2018
 456,608

 Profit for the year
 171,349

 Dividends
 (100,000)

At 31 December 2018 <u>527,958</u>

#### 15. RELATED PARTY DISCLOSURES

During the year, Jonathan Mckay Management LLP, a service company of the Chairman, Invoiced the company £20,000. (2017 - £20,000) for consultancy services. The balance at the balance sheet date is £5,000 (2017 - £NIL).

#### 16. ULTIMATE CONTROLLING PARTY

The controlling party is N G Brisbourne.