Forward Venture Management Limited

Directors' report and financial statements

Registered number 3512909

For the year ended 31 March 2021

Contents

Directors' report

The directors present their annual report and the unaudited financial statements for the year ended 31 March 2021.

Principal activities and business review

The principal activities of the company are to manage the investments of various private investment funds and to provide management services to companies in which those funds invest.

Results and dividends

The result for the year was a loss of £82,385 *(2020 loss: £77,921).*

No dividend is proposed *(2020: £Nil).*

The directors are satisfied with the results for the year end and remain optimistic about future trading prospects.

Directors

The directors of the company who served during the year were as follows:

RK Chamberlain (Chairman)
AJ O'Brien
JE Bond

Going concern

The directors are of the opinion that the company has adequate resources on the basis of ongoing related party support to continue to exist into the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

By order of the board

Anthony O'Brien
Secretary

Birmingham Road
Henley In Arden
West Midlands
B95 5QA

14 July 2021

Statement of directors' responsibilities in respect of the Directors' Report and the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*].

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 estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and loss and comprehensive income
for the year ended 31 March 2021

	Notes	2021 £	2020 £
Turnover	1,2	**279,041**	249,800
Staff costs	4	**(256,300)**	(195,531)
Depreciation	9	**(2,098)**	(2,340)
Other operating charges		**(37,538)**	(47,243)
Operating (loss)/profit	3	**(16,895)**	4,686
Other interest receivable and similar income	6	**20**	36
Interest payable and similar charges	7	**(65,510)**	(82,643)
Loss before taxation		**(82,385)**	(77,921)
Tax on loss	8	**-**	-
Loss for the financial year being total comprehensive income		**(82,385)**	(77,921)

The accompanying notes form an integral part of the financial statements.

The company has no recognised gains or losses other than those included in the profit and loss account.

Balance sheet
as at 31 March 2020

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9		515		2,613
Investments	10		2		2
			517		2,615
Current assets					
Debtors	11	32,676		24,939	
Cash at bank and in hand		9,864		28,890	
		42,540		53,289	
Creditors: amounts falling due within one year	12	(1,708,872)		(1,639,874)	
Net current liabilities			(1,666,332)		(1,586,045)
Total assets less current liabilities			(1,665,815)		(1,583,430)
Creditors: amounts falling due after more than one year	13		(4,183,998)		(4,183,998)
Net liabilities			(5,849,813)		(5,767,428)
Capital and reserves					
Called-up share capital	14		50,000		50,000
Profit and loss account			(5,899,813)		(5,817,428)
Equity shareholders' deficit			(5,849,813)		(5,767,428)

The directors:

(a) confirm that the company was entitled to exemption under section 477 of the Companies Act 2006 from the requirement to have its financial statements for the financial year ended 31 March 2021 audited;

(b) confirm that members have not required the company to obtain an audit of its accounts for the financial year in accordance with section 476 of the Companies Act 2006; and

(c) acknowledge their responsibilities for:

(i) ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006, and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus and deficit for the financial year in accordance with the requirements of section 393 and 394 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the company

The accompanying notes form an integral part of the financial statements.

These financial statements were approved by the board of directors on 14 July 2021 and were signed on its behalf by:

RK Chamberlain
Director
Registered number: 3512909

Statement of Changes in Equity

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 April 2019	50,000	(5,739,507)	(5,689,507)
Loss being total comprehensive income for the period	-	(77,921)	(77,921)
Balance at 31 March 2020	**50,000**	**(5,817,428)**	**(5,767,428)**
Balance at 1 April 2020	50,000	(5,817,428)	(5,689,507)
Loss being total comprehensive income for the period	-	(82,385)	(82,385)
Balance at 31 March 2021	**50,000**	**(5,899,813)**	**(5,849,813)**

The accompanying notes form an integral part of the financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Forward Venture Management Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Forward Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Forward Group Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Birmingham Road, Henley in Arden, West Midlands, B95 5QA. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

Notwithstanding net current liabilities of £1,666,332 as at 31 March 2021, a loss for the year then ended of £82,385, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its fellow related party entities Croftdawn Limited and the Forward Innovation Fund, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Croftdawn and the Forward Innovation Fund not seeking repayment of the amounts currently due from the company's parent Forward Group Ltd, which at 31 March 2021 amounted to £1,542,413 and £529,047 respectively, as well as providing additional financial support during that period. Croftdawn and the Forward Innovation Fund have indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. In addition the company is not legally able to make the dividend and interest payment accrued. As with any company placing reliance on other related parties for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged at rates calculated to write off the cost, less estimated residual values, of each asset on a straight-line basis over its expected useful life as follows:

- fixtures and fittings 20% per annum
- Computer equipment 50% per annum

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.6 Employee benefits

Defined contribution plans and other long term employee benefits

The company provides pension arrangements through personal defined contribution schemes.

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.7 Turnover

Turnover comprises the value of sales (excluding VAT) of management services supplied in the normal course of business and is recognised in accordance with the level of services provided

1.8 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

Notes *(continued)*

1 Accounting policies *(continued)*

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is only recognised when it is deemed likely to be recoverable.

2 Segment information

Turnover and loss before tax are wholly attributable to the principal activities of the company in the UK.

3 Operating profit

	2021	2020
	£	£
Operating profit is stated after charging		
Depreciation	**2,098**	2,340

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was as follows:

	Number of employees	
	2021	2020
Administration and management	7	4

Aggregate payroll costs of employees (including executive directors) are as shown below:

	£	£
Wages and salaries	**199,771**	138,222
Social security costs	**15,843**	11,562
Other pension costs	**40,686**	45,747
	256,300	195,531

5 Remuneration of directors

	2021	2020
	£	£
Directors' emoluments	**73,697**	66,936
Company contributions to defined contribution pension schemes	**29,890**	39,417
	103,587	106,353

Retirement benefits are accruing to one director *(2020: one director)* under defined contribution pension schemes.

Notes *(continued)*

6 Other interest receivable and similar income

	2021	2020
	£	£
Bank deposit interest	**20**	36
	20	36

7 Interest payable and similar charges

	2021	2020
	£	£
Finance costs payable on non-equity shares	**14,659**	23,663
Interest on unpaid preference dividends	**50,851**	58,980
	65,510	82,643

8 Taxation

Analysis of charge in year

There is no tax charge for the year *(2020: £nil).*

Factors affecting current tax charge

The current tax charge for the year is lower *(2020: lower)* than the standard rate of corporation tax in the UK 19% *(2020: 19%)*. The differences are explained below:

	2021	2020
	£	£
Current tax reconciliation		
Loss before taxation	**(82,385)**	(77,921)
Current tax at 19% *(2019: 19%)*	**(15,653)**	(14,805)
Effects of:		
Expenses not deductible for tax purposes	**-**	72
Finance costs on preference shares not deductible for tax purposes	**2.785**	4,496
Interest on unpaid preference dividends	**9.662**	11,206
Depreciation charged is in excess of / (less than) capital allowances	**398**	(616)
Tax losses carried/(utilised) forward	**2,808**	(353)
Total tax (credit) charge	**-**	-

Notes *(continued)*

8 Taxation *(continued)*

Factors affecting future tax charges

Tax losses carried forward amount to £2,903,764 *(2020: £2,887,943)* for which no deferred tax asset has been recognised. In addition deferred tax assets in respect of accelerated capital allowances amounting to £5,435 *(2020: £5,584)* have not been recognised. These assets will be recognised when taxable profits result in them being recoverable in the foreseeable future.

Changes to reduce the UK Corporation Tax rate from 1 April 2020 to 18% and a further reduction to 17% from 1 April 2021 have been reversed. The rate will continue at 19% until 1 April 2023 where it will increase to 25% with exemptions for small company profits below £50k where the rate will remain at 19% and tapered until profits exceed £250k where the full rate of 25% will apply. This will increase the company's future current tax charge accordingly.

9 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At beginning of year	24,123	73,223	97,346
Additions	-	-	-
Cost at end of year	24,123	73,223	97,346
Depreciation			
At beginning of year	24,123	70,610	94,733
Charge for the year	-	2,098	2,098
At end of year	24,123	72,708	96,831
Net book value			
At 31 March 2021	-	**515**	**515**
At 31 March 2020	-	2,613	2,613

10 Fixed asset investments

	Other investments £
Cost	
At beginning and end of year	23,748
Provisions	
At beginning and end of year	23,746
Net book value	
At 31 March 2021	**2**
At 31 March 2020	2

Notes *(continued)*

11 Debtors

	2021	2020
	£	£
Trade debtors	**12,765**	11,160
Other debtors	**9,362**	3,808
Prepayments	**10,549**	9,971
	32,676	24,939

12 Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	**14**	2686
Other creditors:		
Social security and PAYE	**5,581**	-
VAT	**13,686**	12,386
Corporation Tax	-	-
Accruals and deferred income	-	722
Accumulated dividends on non-equity shares	**926,076**	911,416
Accumulated interest on unpaid non-equity dividends	**763,515**	712,664
	1,708,872	1,639,874

The preference dividends and accrued interest are technically due within one year but cannot be legally paid until the company has sufficient distributable reserves

13 Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Preference shares classified as liabilities (see note 14)	**1,332,445**	1,332,445
Amounts owed to group undertakings	**2,851,553**	2,851,553
	4,183,998	4,183,998

The company may at any time, having given 14 days notice, redeem the preference shares at the subscription price. On redemption any arrears of dividend will be paid. At the year end the company had not served such notice and did not intend to do so in the following 12 months. As a result of this, the shares have been disclosed within creditors falling due after one year.

Notes *(continued)*

14 Called up share capital

	2021	2020
	£	£
Allotted, called up and fully paid:		
50,000 ordinary shares of £1 each	**50,000**	50,000
1,332,445 preference shares of £1 each	**1,332,445**	1,332,445
	1,382,445	1,382,445
Equity	**50,000**	50,000
Shares classified as liabilities	**1,332,445**	1,332,445
	1,382,445	1,382,445

The principal rights attached to the £1 preference shares are as follows:

Rights to dividends

The holders of the preference shares are entitled to an annual dividend at a rate of 1% above LIBOR to be paid in two equal, half yearly instalments on 31 March and 30 September. The dividends started to accrue from 5 April 2001. The dividends are cumulative and are payable in priority to the payment of any dividend on the ordinary shares.

At the year end, the cumulative dividends in arrears on these shares total £926,075 covering the period from 5 April 2001 to 31 March 2021.

Winding up

On winding up or other return of capital, assets available for distribution will be applied in the following order:

- payment of any dividend arrears in respect of the preference shares;
- return of amounts paid up in respect of the preference shares including any premium paid;
- payment of any dividend arrears in respect of the ordinary shares.
- return of amounts paid up in respect of the ordinary shares including any premium paid;
- distribution of the balance pari passu amongst the holders of the ordinary shares.

Voting rights

The holders of the preference shares are entitled to one vote for each share held in the event that:

- payment of dividends is more than 21 days in arrears; or
- any resolution is proposed for the winding up of the company; or
- a meeting is convened for the purpose of considering the purchase by the company of its own shares; or
- a meeting is convened for the purpose of considering variations to the rights attaching to the preference shares.

Except in the above circumstances, no voting rights attach to the preference shares.

Redemption

The company may at any time, having given 14 days notice, redeem the preference shares at the subscription price. On redemption any arrears of dividend will be paid.

Notes *(continued)*

15 Transactions with related parties

During the year, the company charged £159,041 *(2020: £74,800)* for management services to companies with which it shares a number of common directors.

At the year end, a total of £12,765 *(2020: £11,160)* was owing from these companies in respect of management charges.

The company charged £120,000 (*2020: £175,000)* for management services to FIF, which are subject to common control from Ray Chamberlain as a trustee.

These transactions were made in the normal course of business and were on an arms length basis.

16 Ultimate parent company and controlling party

The company is a subsidiary of Forward Group Ltd. The largest and smallest group in which the results of the company are consolidated is that headed by Forward Group Ltd, which is incorporated in England & Wales. Copies of the financial statements of Forward Group Ltd are available from the Registrar of Companies at Companies House, Crown Way, Cardiff, CF4 3UZ.

Forward Group Ltd is controlled by Ray Chamberlain who is the majority shareholder.