

Verbatim Portfolio Management Limited

**Directors' report and financial
statements**

Registered number 07037051

31 December 2016



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Company information

Directors	NM Stevens GJ Kershaw SC Turvey DP Russell
Secretary	RJ Leonhardsen
Registered office	The John Smith's Stadium Stadium Way Huddersfield HD1 6PG
Registered number	07037051 (England and Wales)
Auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

Directors' report

The directors present their report and financial statements of the company for the year ended 31 December 2016.

Principal activities and review of business

The principal activity of the company in the year under review was that of a provider of investment planning tools to financial advisors. The results for the year are detailed on page 6.

Directors

The directors who held office during the year and up to the signing of this report were as follows.

NM Stevens
GJ Kershaw
SC Turvey
DP Russell (appointed 17 October 2016)

Dividends

The directors do not recommend payment of a dividend.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



SC Turvey
Director

The John Smith's Stadium
Stadium Way
Huddersfield
HD1 6PG

25 September 2017

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 period. 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 FRS 101 Reduced Disclosure Framework.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of Verbatim Portfolio Management Limited

We have audited the financial statements of Verbatim Portfolio Management Limited for the year ended 31 December 2016 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 Reduced Disclosure Framework.

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 explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 www.frc.org.uk/auditscopeukprivate.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

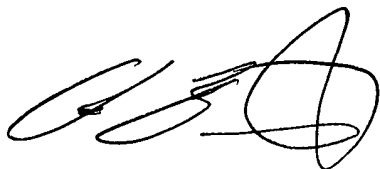
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Verbatim Portfolio Management Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report and in not preparing a Strategic report.



Ian Beaumont (Senior Statutory Auditor)

For and on behalf of

KPMG LLP

Statutory Auditor

Chartered Accountants

1 Sovereign Square

West Yorkshire

LS1 4DA

26 September 2017

Profit and loss account and other comprehensive income
for the year ended 31 December 2016

	<i>Note</i>	31 December 2016 £	31 December 2015 £
Turnover		451,515	606,766
Operating expenses		(372,815)	(496,068)
Operating profit and profit on ordinary activities before taxation	2-3	78,700	110,698
Tax on profit on ordinary activities	4	-	-
Profit for the financial year		78,700	110,698

There are no items to be included in Other Comprehensive Income in the current or preceding year.

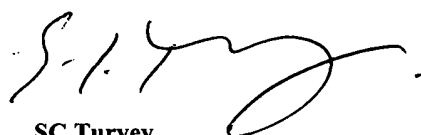
The notes on pages 9 to 15 form part of these financial statements.

Balance sheet

at 31 December 2016

	Note	31 December 2016		31 December 2015	
		£	£	£	£
Current assets					
Debtors	5	3,563,485		2,347,420	
Cash at bank and in hand		228,403		38,116	
		<u>3,791,888</u>		<u>2,385,536</u>	
Creditors: amounts falling due within one year	6	<u>(3,343,462)</u>		<u>(2,015,810)</u>	
Net current assets			<u>448,426</u>		<u>369,726</u>
Net assets			<u>448,426</u>		<u>369,726</u>
Capital and reserves					
Called up share capital	7		1		1
Profit and loss account			<u>448,425</u>		<u>369,725</u>
Shareholders' funds			<u>448,426</u>		<u>369,726</u>

These financial statements were approved by the board of directors on 25 September 2017 and were signed on its behalf by:



SC Turvey
 Director

Registered no: 07037051

The notes on pages 9 to 15 form part of these financial statements.

Statement of changes in equity
at 31 December 2016

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2015	1	259,027	259,028
Total comprehensive income for the period			
Profit or loss	-	110,698	110,698
Balance at 31 December 2015	<u>1</u>	<u>369,725</u>	<u>369,726</u>
Balance at 1 January 2016	1	369,725	369,726
Total comprehensive income for the period			
Profit or loss	-	78,700	78,700
Balance at 31 December 2016	<u>1</u>	<u>448,425</u>	<u>448,426</u>

The notes on pages 9 to 15 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Verbatim Portfolio Management Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The address of its registered office is The John Smith's Stadium, Stadium Way, Huddersfield, HD1 6PG.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* applicable in the UK and Republic of Ireland ("*FRS 101*") as issued in August 2014. The amendments to FRS 101 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The Company is preparing its financial statements in accordance with FRS 101 for the first time. In the transition to FRS 101 from FRS 102, the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, The Simply Biz Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of The Simply Biz Group Limited are available to the public and may be obtained from The John Smith's Stadium, Stadium Way, Huddersfield, HD1 6PG. 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 101 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

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

The Company has net current assets of £448,426 at 31 December 2016.

The Company meets its day-to-day working capital requirements through operating cash flows and bank balances. The Company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Company is expected to have a sufficient level of financial resources available through facilities agreed and expected to be agreed when these fall due for renewal.

After considering the above in detail, the directors consider and have concluded that the Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt a going concern basis in the preparation of the financial statements.

Notes (continued)

1 Accounting policies (continued)

1.3 Critical accounting estimates and judgements

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or to the financial statements in general within the next financial year are discussed below:

- Impairment of trade debtors - The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the ageing profile of receivables and historical experience.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 101, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- 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
- 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.

1.5 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. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

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 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.

Notes (continued)

1 Accounting policies (continued)

1.6 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.7 Turnover

Turnover represents the provision of services to external customers at invoiced amounts less value added tax.

Turnover from the rendering of services is recognised in the period in which the services are provided.

1.8 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 provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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 (continued)

2 Profit and loss account information

The company's activities consist solely of the Company's principal activity in the UK.

The operating profit is stated after charging:

	31 December 2016 £	31 December 2015 £
Auditors' remuneration – these financial statements	-	3,000
Auditors' remuneration – taxation services	-	1,000
	<u> </u>	<u> </u>

Auditors' remuneration is borne by a fellow group undertaking.

3 Staff numbers and costs

There were no employees during the year other than directors. All staff costs, including directors' costs, are paid by the parent company and recharged to the company via management charges.

Notes (continued)

4 Taxation

Total tax credit recognised in the profit and loss account

	31 December 2016 £	31 December 2015 £
Current tax		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Change in tax rate	-	-
Adjustments in respect of prior periods	-	-
Total deferred tax	-	-
Total tax credit	-	-

Reconciliation of effective tax rate

	31 December 2016 £	31 December 2015 £
Profit for the year	78,700	110,698
Total tax credit	-	-
Profit before taxation	78,700	110,698
Tax using the UK corporation tax rate of 20.00% (2015: 20.25%)	15,740	22,416
<i>Effects of:</i>		
Expenses not deductible for tax purposes	539	1,088
Group relief claimed	(16,279)	(22,083)
Other adjustments	-	(1,421)
Total tax credit included in the profit or loss	-	-

There were no recognised or unrecognised deferred tax balances at 31 December 2016 or 31 December 2015.

Notes (continued)

5 Debtors

	31 December 2016 £	31 December 2015 £
Trade debtors	231,774	215,223
Amounts owed by group undertakings	3,255,996	2,020,668
Prepayments and accrued income	75,715	111,529
	<u>3,563,485</u>	<u>2,347,420</u>

6 Creditors: amounts falling due within one year

	31 December 2016 £	31 December 2015 £
Trade creditors	20,400	51,338
Amounts owed to group undertakings	3,295,790	1,865,454
Other tax and social security	13,127	58,933
Accruals and deferred income	14,145	40,085
	<u>3,343,462</u>	<u>2,015,810</u>

7 Share capital

	31 December 2016 £	31 December 2015 £
Allotted, issued and fully paid:		
Number		
1	1	1
Class:		
Ordinary		
Nominal value:		
£1		

There is a single class of Ordinary share. There are no restrictions on the distribution of dividends or the repayment of capital.

8 Contingencies

The company has provided a guarantee against the bank loans of The SimplyBiz Group Limited, the ultimate parent company. The total amount outstanding at 31 December 2016 amounted to £35,000,000 (2015: £35,000,000).

9 Related party disclosures

The company has taken advantage of the exemption within FRS 101 and therefore not disclosed details of transactions with fellow companies within the group headed by The SimplyBiz Group Limited.

10 Ultimate parent company

The immediate parent undertaking is Verbatim Asset Management Limited.

The ultimate parent undertaking is The SimplyBiz Group Limited, which is the only set of consolidated financial statements which include the results of the company. These accounts can be obtained from the company's registered office.

Notes *(continued)*

11 Ultimate controlling party

The ultimate controlling party is deemed to be KE Davy by virtue of shareholding.