Livingbridge Enterprise GP Limited

Directors' Report and Financial Statements

For the year ended 31 December 2017

LIVINGBRIDGE

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DIRECTORS AND OTHER INFORMATION

Registered Address

100 Wood Street
London
EC2V 7AN

Registered Number

09758974

Directors

S Egan
O O Kolade

Independent Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Lawyer

O'Melveny & Myers LLP
Warwick Court
5 Paternoster Square
London
EC4M 7DX

Banker

Lloyds Bank Plc
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

Administrator

Aztec Financial Services (UK) Limited
Forum 3, Solent Business Park
Whiteley
Fareham
PO15 7FH

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 31 December 2017.

Principal activities

Livingbridge Enterprise GP Limited ('the Company') was incorporated on 2 September 2015 and its principal activity is that of a General Partner to Livingbridge Enterprise 1 LP.

On 27 September 2017 Livingbridge Enterprise GP Limited transferred its general partner interest in Livingbridge Enterprise 2 LP to Livingbridge Enterprise GP LLP.

Livingbridge Enterprise GP Limited has a member's interest of 2% in Livingbridge Enterprise GP LLP.

Parent undertaking

The Company is a wholly owned subsidiary of Livingbridge Enterprise LLP.

Results

The results for the year are set out in the Statement of Total Comprehensive Income. Total Shareholders' funds at year end are set out in the Statement of Financial Position.

The Company is dependent on continuing finance being made available by its parent undertaking, Livingbridge Enterprise LLP, to enable it to continue operating and to meet its liabilities as they fall due.

The Directors did not recommend the payment of a dividend during the year ended 31 December 2017 (2016: Nil).

Directors and interests

The Directors who held office during the period were as follows:

S Egan
O O Kolade

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.

Small companies exemption

In preparing this report, the Directors have taken advantage of the special provisions relating to small companies exemption provided by section 415A of the Companies Act 2006. As such no Statement of Cash Flows and Strategic Report have been prepared.

By order of the Board

S Egan
Director

20 March 2018

100 Wood Street
London
EC2V 7AN

Registered number: 09758974

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 applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVINGBRIDGE ENTERPRISE GP LIMITED

Opinion

We have audited the financial statements of Livingbridge Enterprise GP Limited ("the Company") for the year ended 31 December 2017, which comprise the Statement of Total Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' Report

The Directors are responsible for the Directors' Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 from the requirement to prepare a strategic report.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVINGBRIDGE ENTERPRISE GP LIMITED (continued)

Directors' responsibilities

As explained more fully in their 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; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Jonathan Martin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

20 March 2018

STATEMENT OF TOTAL COMPREHENSIVE INCOME
for the year ended 31 December 2017

	Note	2017 £	2016* £
Turnover	3	**2,836,514**	3,983,163
Operating expenses		**(2,836,504)**	(3,983,159)
Operating profit		**10**	4
Unrealised capital loss on investment		**-**	(430)
Reversal of unrealised capital loss on investment		**430**	-
Profit / (loss) on ordinary activities before taxation		**440**	(426)
Tax credit on profit on ordinary activities	6	**12,670**	-
Total comprehensive income / (loss) for the year		**13,110**	(426)

**Comparative period from 2 September 2015 to 31 December 2016*

All amounts are derived from continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investment	7	2	1,669
Current assets			
Debtors *(including amounts of £12,669 due after more than one year (2016: £nil))*	8	94,293	475,050
Cash at bank		11	7,896
		94,304	482,946
Creditors: amounts falling due within one year	9	(81,621)	(475,039)
Net current assets		12,683	7,907
Total assets less current liabilities		12,685	9,576
Creditors: amounts falling due after one year	10	-	(10,001)
Net assets / (liabilities)		12,685	(425)
Capital and reserves			
Called up share capital	12	1	1
Retained earnings		12,684	(426)
Shareholders' funds		12,685	(425)

These financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the Board of Directors on 20 March 2018 and were signed on its behalf by:

S Egan
Director

Registered number: 09758974

The notes on pages 10 to 15 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017

	Share capital	Retained earnings	Total shareholders' funds
	£	£	£
At 2 September 2015	-	-	-
Issue of 1 ordinary share at £1 per share	1	-	1
Total comprehensive loss for the period	-	(426)	(426)
At 31 December 2016	1	(426)	(425)
At 1 January 2017	1	(426)	(425)
Total comprehensive income for the year	-	13,110	13,110
At 31 December 2017	**1**	**12,684**	**12,685**

The notes on pages 10 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2017

1. GENERAL INFORMATION

Livingbridge Enterprise GP Limited is a private company incorporated, domiciled and registered in the UK. Its registered office is 100 Wood Street, London, EC2V 7AN.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules unless otherwise specified within these accounting policies and, in accordance with Section 1A, of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS102") and the Companies Act 2006. The company's functional and operational currency is British Pounds Sterling ("GBP" or "£"). Monetary amounts in these financial statements have been rounded to the nearest £.

The Company's ultimate parent undertaking, Livingbridge FS LLP, includes the Company in its consolidated financial statements, which may be obtained from www.companieshouse.gov.uk. The Company is therefore exempt from preparing a cashflow statement, disclosing transactions within the group of companies headed by Livingbridge FS LLP and key management personnel compensation. These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Going concern

The Company is dependent on continuing finance being made available by Livingbridge Enterprise LLP to enable it to continue operating and to meet its liabilities as they fall due.

Consolidation

The Company is not required to produce consolidated results as it is a wholly owned subsidiary of a parent producing consolidated financial statements. The effect of non-consolidation of the Limited Partnerships in the financial statements of Livingbridge FS LLP has been disclosed in the financial statements of that entity.

Income and expenditure

Income and expenditure is accounted for on an accruals basis.

Priority Profit Share ("PPS") income is calculated in accordance with Livingbridge Enterprise 2 LP's and Livingbridge Enterprise 1 LP's Limited Partnership Agreements. Livingbridge Enterprise 2 LP's PPS income was received half yearly in advance, and Livingbridge Enterprise 1 LP's PPS income is received quarterly in advance. PPS for each financial year is reduced by any transaction fees (net of VAT) received by Livingbridge Enterprise LLP during the year, such as advisory fees and directors' fees. Priority Profit Share income from Livingbridge Enterprise 2 LP was received from 1 January 2017 to 27 September 2017, when Livingbridge Enterprise GP Limited transferred its general partner interest in Livingbridge Enterprise 2 LP to Livingbridge Enterprise GP LLP.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

Taxation (continued)

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. 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 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.

Debtors

Trade and other debtors are recognised initially at transaction price less 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.

Creditors

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.

Valuation of Investment

The Company classifies its investment as a financial asset or financial liability at fair value through profit or loss.

The Directors have valued the investment based on the most recent underlying audited Net Asset Value ('NAV') as calculated by the General Partner of the underlying investment. The investment is based on the most recent valuation information as provided by the General Partner of the underlying investment, which is deemed to be its fair value.

Notwithstanding the above provisions the Directors may adjust the valuation of any investment or permit some other method of valuation to be used with regard to a particular asset if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they deem relevant, they consider that such adjustment or alternative method of valuation is required to reflect more fairly the value of that asset.

Unrealised gains and losses on the investment is transferred to the Profit and Loss Account.

3. TURNOVER

	2017	2016*
	£	£
Priority Profit Share income:		
Livingbridge Enterprise 1 LP	**74,931**	58,489
Livingbridge Enterprise 2 LP	**2,761,573**	3,924,670
Interest income from investments	**7**	4
Dividend income from investments	**3**	-
	2,836,514	3,983,163

*Comparative period from 2 September 2015 to 31 December 2016

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The 2017 audit fee of £4,500 (2016: £4,500) will be paid by Livingbridge Enterprise LLP.

The Company had no employees during the period ended 31 December 2017 (2016: nil).

5. REMUNERATION OF DIRECTORS

None of the Directors received any remuneration for their services to the Company during the period ended 31 December 2017 (2016: nil).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2017	2016
	£	£
UK Corporation tax		
Tax credit on loss for the year	**-**	(1)
Total current tax credit for the year	**-**	(1)
Deferred tax		
Movement for the year in respect of tax losses (note 11)	**73,897**	(784,933)
Movement for the year in respect of timing differences (note 11)	**(86,734)**	784,934
Effect of rate change (note 11)	**167**	-
Deferred tax (credit) / charge for the year	**(12,670)**	1
Total tax (credit) / charge for the year	**(12,670)**	-

Factors affecting corporation tax for the current year

The tax assessment for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2017	2016
	£	£
Current tax reconciliation		
Profit / (loss) on ordinary activities before tax	**440**	(426)
Current tax at 19.25% (2016: 20%)[1]	**85**	(85)
Effect of:		
Non-taxable income	**(12,839)**	-
Non-deductible losses	**(83)**	85
Effect of rate change	**167**	-
Total tax (credit) / charge	**(12,670)**	-

[1]The main rate of corporation tax for the year ended 31 December 2017 was 19.25%.

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015 and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS

The Company has a Member's interest of 2% in Livingbridge Enterprise GP LLP, as detailed below.

	2017
Cost	**£**
At 1 January 2017	-
Additions	2
At 31 December 2017	2

The Company disposed of its interest in Enterprise 2 LP, as detailed below.

	Livingbridge Enterprise 2 LP
	£
Capital Commitment	-
Cost of Investments at 2 September 2015	-
Capital contributions in the period	2,099
Cost of Investments at 31 December 2016	2,099
Fair Market Value at 31 December 2016	1,669
Unrealised capital loss on investments at 31 December 2016	(430)
Cost of Investments at 1 January 2017	2,099
Capital contributions in the year	803
Disposals in the year	(2,902)
Cost of Investments at 31 December 2017	-
Fair Market Value at 31 December 2017	-
Unrealised capital loss on investments at 31 December 2017	-
Unrealised capital gain on investments:	
At beginning of the year	(430)
Reversal of unrealised capital loss	430
At end of the year	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. DEBTORS (including amounts due after more than one year)

	2017	2016
	£	£
Amounts receivable from Livingbridge Enterprise LLP	**57,923**	475,048
Called up share capital not paid	**1**	1
Tax recoverable	**1**	1
Other debtor	**23,699**	-
Due within one year	**81,624**	475,050
Deferred tax asset (note 11)	**12,669**	-
Due after more than one year	**12,669**	-
	94,293	475,050

Included in debtors is a deferred tax asset of £12,669 (2016: £nil) which has been recognised to the extent that there will be sufficient future taxable profits from which the underlying timing differences can be deducted.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Amounts payable to Limited Partnership	**81,621**	475,039
	81,621	475,039

10. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2017	2016
	£	£
Amounts payable to parent undertaking	**-**	10,000
Deferred tax liability	**-**	1
	-	10,001

11. DEFERRED TAX (ASSET) / LIABILITY

	2017	2016
	£	£
Balance brought forward	**1**	-
Movement for the year in respect of tax losses (note 6)	**73,897**	(784,933)
Movement for the year in respect of timing differences (note 6)	**(86,734)**	784,934
Effect of rate change (note 6)	**167**	-
Balance carried forward	**(12,669)**	1

The main rate for 2018 of 19% has been used to determine the deferred tax asset of £12,669 at 31 December 2017.

The deferred tax asset is included in debtors (refer to note 8).

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. CALLED UP SHARE CAPITAL

	2017	2016
	£	£
Authorised:		
1 ordinary share at £1 per share	1	1
Allotted and called up:		
1 ordinary share at £1 per share	1	1

13. RELATED PARTY TRANSACTIONS

The Company is a General Partner to Livingbridge Enterprise 1 LP.

During the year, the Company received Priority Profit Share of £74,931 from Livingbridge Enterprise 1 LP (2016: £58,489). At 31 December 2017 £57,922 (2016: £61,635) was due to Livingbridge Enterprise 1 LP relating to transaction fees.

Livingbridge Enterprise 2 LP was a related party of the Company. The Company invested as a Limited Partner in Livingbridge Enterprise 2 LP. On 27 September 2017 the Company transferred its investment and general partner interest in Livingbridge Enterprise 2 LP to Livingbridge Enterprise GP LLP. During the year, the Company also received Priority Profit Share of £2,761,573 (2016: £3,924,670) from Livingbridge Enterprise 2 LP. At 31 December 2017 £nil (2016: £413,404) was due to Livingbridge Enterprise 2 LP relating to transaction fees.

Livingbridge Enterprise LLP, the parent entity is a related party of the Company.

As at 31 December 2017, £57,923 (2016: £475,048) was due from the parent entity, of which £57,922 (2016: £61,635) was payable by the Company to Livingbridge Enterprise 1 LP and £nil (2016: £413,404) to Livingbridge Enterprise 2 LP in respect of transaction fees. The amount of £57,923 (2016: £475,039) relates to transaction fees due from the parent entity and payable to Livingbridge Enterprise GP Limited. The 2017 audit fee of £4,500 (2016: £4,500) will be paid by the parent entity.

As at 31 December 2017 £23,699 was due from HMRC in respect of tax recoverable of which £23,699 was payable to Livingbridge Enterprise 2 LP.

The Company is not required to produce consolidated results as it is an indirect wholly owned subsidiary of Livingbridge FS LLP, the ultimate parent undertaking which prepares consolidated financial statements.

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a wholly owned subsidiary of Livingbridge Enterprise LLP. Livingbridge Enterprise LLP's immediate and ultimate parent is Livingbridge FS LLP.

Livingbridge FS LLP, the ultimate parent entity, is an incorporated partnership registered in England and Wales. Livingbridge FS LLP prepares consolidated financial statements and these financial statements may be obtained from www.companieshouse.gov.uk.

15. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

There have not been any events subsequent to the reporting date that require disclosure in these financial statements.