

Fora Space Limited

Report and Financial Statements

Period Ended

31 December 2016

Company Number 09826907

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Fora Space Limited

Company Information

Directors	M Abramsky M Marks E Sanna J Spencer (Alternate) C Tutt
Registered number	09826907
Registered office	Level 1 89 Wardour Street London W1F 0UB
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU

Fora Space Limited

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Fora Space Limited

Directors' Report For the Period Ended 31 December 2016

The Directors present their annual report and the audited financial statements of Fora Space Limited for the period from 15 October 2015 to 31 December 2016.

The Company was incorporated in the United Kingdom and established on 15 October 2015. It is governed by The Companies Act 2006.

Principal activity

The principal activity of the Company is the operation of co-working space in London.

Ultimate controlling parties

The Company is ultimately controlled by Brockton Capital Fund III GP Limited, the General Partner of Brockton Capital Fund III (General Partner) LP, the General Partner of Brockton Capital Fund III LP.

Results and dividends

The results for the period are shown in the Statement of Comprehensive Income on page 5.

The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the period and to the date of this report were:

M Abramsky (appointed 1 June 2016)
M Marks (appointed 15 October 2015)
E Sanna (appointed 1 June 2016)
J Spencer (Alternate) (appointed 1 June 2016)
C Tutt (appointed 15 October 2015)

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, have expressed their willingness to continue in office and will be proposed for reappointment in accordance with The Companies Act 2006.

In preparing this Director's Report advantage has been taken of the small companies' exemption.

This report was approved by the Board on 12 July 2017 and signed on its behalf.

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Director M MARKS

Fora Space Limited

Directors' Responsibilities Statement

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 the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 International Financial Reporting Standards as adopted by the EU 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 proper accounting records that 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.

Fora Space Limited

Independent Auditor's report to the members of Fora Space Limited

We have audited the financial statements of Fora Space Limited for the period ended 31 December 2016 which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditors

As explained more fully in the Directors' Responsibilities Statement, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of The Companies Act 2006.

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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Fora Space Limited

Independent Auditor's report to the members of Fora Space 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 Directors' Report.

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 prepare the Directors' Report in accordance with the small companies regime and to the exemption from the requirement to prepare a Strategic Report.

BDO LLP

Geraint Jones (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
London
United Kingdom

12/7/17

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Fora Space Limited

Statement of Comprehensive Income For the Period Ended 31 December 2016

		Period ended 31 December 2016 £
Administrative expenses	Note	(2,924,970)
Operating loss		(2,924,970)
Loss on ordinary activities before taxation		(2,924,970)
Taxation on loss on ordinary activities	4	-
Loss and total comprehensive loss for the period		(2,924,970)

All results shown in the Statement of Comprehensive Income are from continuing operations.

All loss and total comprehensive loss are attributable to the equity holders of the Company.

The notes on pages 10 to 21 form part of these financial statements.

Fora Space Limited
Registered number:09826907

Statement of Financial Position
As at 31 December 2016

	Note	2016 £
Assets		
Non-current assets		
Property, plant and equipment	5	3,546,437
		<u>3,546,437</u>
Current assets		
Trade and other receivables	6	162,604
Cash and cash equivalents		129,926
		<u>292,530</u>
		<u>3,838,967</u>
Total assets		
Liabilities		
Current liabilities		
Intercompany loans	7	3,076,532
Trade and other payables	8	3,687,404
		<u>6,763,936</u>
Total liabilities		
		<u>(2,924,969)</u>
Net liabilities		

Fora Space Limited
Registered number:09826907

Statement of Financial Position (continued)
As at 31 December 2016

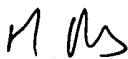
Equity attributable to equity holders of the Company

Share capital	10	1
Retained earnings		(2,924,970)

Total equity

(2,924,969)

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 12 July 2017.


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Director M MARKS

The notes on pages 10 to 21 form part of these financial statements.

Fora Space Limited

Statement of Changes in Equity For the Period Ended 31 December 2016

	Share capital £	Retained earnings £	Total equity £
Comprehensive loss for the period			
Loss for the period	-	(2,924,970)	(2,924,970)
Other comprehensive loss for the period	-	-	-
Total comprehensive loss for the period	-	(2,924,970)	(2,924,970)
Contributions by and distributions to owners			
Shares issued during the period	1	-	1
Total contributions by and distribution to owners	1	-	1
Balance at 31 December 2016	1	(2,924,970)	(2,924,969)

The notes on pages 10 to 21 form part of these financial statements.

Fora Space Limited

Statement of Cash Flows For the Period Ended 31 December 2016

	2016 £
Cash flows from operating activities	
Loss for the financial period	(2,924,970)
Adjustments for:	
Increase in trade and other receivables	(162,604)
Increase in trade and other payables	634,360
Net cash used in operating activities	<u>(2,453,214)</u>
Cash flows from investing activities	
Purchases of property plant and equipment	(3,546,437)
Net cash used in investing activities	<u>(3,546,437)</u>
Cash flows from financing activities	
Proceeds from issue of share capital	1
Loans received from Group undertakings (net)	6,129,576
Net cash generated from financing activities	<u>6,129,577</u>
Net increase in cash and cash equivalents	<u>129,926</u>
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at the end of period	<u><u>129,926</u></u>
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	<u><u>129,926</u></u>

The notes on pages 10 to 21 form part of these financial statements.

Fora Space Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

1. General information

The Company was incorporated on 15 October 2015 and is domiciled and registered as a limited company in the United Kingdom. It is a wholly owned subsidiary of Fora Holdings Limited, a company registered in Guernsey. The ultimate parent undertaking is Brockton Capital Fund III GP Limited, a company registered in Guernsey, the General Partner of Brockton Capital Fund III (General Partner) LP, the General Partner of Brockton Capital Fund III LP.

2. Accounting policies

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee (IFRIC) as adopted by the European Union.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

The principal accounting policies adopted in these financial statements are set out below:

2.1 Basis of preparation of financial statements

The financial statements have been prepared on the historical cost basis.

2.2 Going concern

The financial statements have been prepared on the going concern basis. After making enquiries and taking into consideration the loss and net current liability position of the Company, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future based on the letter of financial support from its ultimate controlling party, Brockton Capital Fund III LP. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Fora Space Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.3 Changes in accounting policy and disclosures

New and revised standards adopted by the EU that are mandatorily effective for the year ending 31 December 2016

The following standards and amendments have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2016:

- Annual Improvements to IFRSs – 2012 - 2014 Cycle;
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities – Applying the consolidation exception;
- Amendments to IAS 27: Equity method in separate financial statements;
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation;
- Amendments to IAS 16 and IAS 41: Bearer plants;
- Amendments to IFRS 11: Accounting for acquisitions of interests in joint operations; and
- Amendments to IAS 1: Disclosure initiative.

The adoption of these amendments did not have any impact on the financial statements of the Company for the current year or any prior period and is not likely to affect future periods.

New and revised IFRSs adopted by the EU that are not mandatorily effective for the year ending 31 December 2016

The following standards and amendments have been adopted by the EU that are not yet mandatorily effective for the year ending 31 December 2016. Accordingly, they have not been applied in preparing these financial statements.

- IFRS 9 Financial instruments (effective 1 January 2018)
- IFRS 15 Revenue from contracts with customers (effective 1 January 2018)

The Company has assessed the impact of the new standards above and concludes that none are expected to have a material impact on the financial statements of the Company.

New and revised standards and interpretations issued by the IASB but not yet adopted by the EU

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2016 as issued by the IASB but they have not yet been adopted by the EU. Accordingly they have not been applied in preparing these financial statements. These new standards and interpretations are as follows:

- IFRS 16 Leases;
- Amendments to IAS 12: Recognition of deferred tax assets for unrealised losses;
- IFRS 14 Regulatory Deferral Accounts.

The Company is assessing the impact of the new standards and interpretations above but none of these are expected to have a significant effect on the financial statements of the Company.

Fora Space Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.4 Revenue

The Company provides memberships to individuals and companies to access office space, generally on a month to month basis. Memberships also include, but are not limited to, provision of other services such as access to a shared internet connection, access to certain facilities such as the kitchen and other common areas, use of conference rooms, and use of printing and copying facilities. Revenue consists primarily of fees from members and is recognised when invoiced. Additional billings to members for the ancillary services are also recognised as the services are provided. All services that are unused at the end of the month expire, thus there are no multiple element arrangement considerations as part of the membership. The proceeds are variable, based on privacy of office, geographic location, and the amount of desk space per office.

The Company recognises revenue net of VAT and discounts. Revenues associated with memberships on a month-to-month basis are recognised monthly as services are billed; revenues associated with longer term memberships are deferred and recognised pro-rata over the term of the membership.

The Company is also the operator of a restaurant. Restaurant revenue represents amounts receivable for food, beverage and service fees net of VAT and trade discounts. Restaurant revenue is recognised at the point of sale of the goods or the supply of services.

2.5 Segmental information

The Company operates in one reportable industry segment, namely operation of co-working space and in one geographical area, namely the United Kingdom.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Furniture, fixtures & equipment	- 3 years (straight line)
Software development	- 3 years (straight line)
Leasehold improvements	- Over the term of the lease (straight line)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Fora Space Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.7 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instruments.

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The classification depends on the nature and purpose of the financial assets. The Company determines the classification of its financial assets at initial recognition.

All purchases and sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other liabilities, as appropriate. All loans and borrowings and trade and other payables are classified as other liabilities.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.8 Trade and other receivables

Financial assets recognised in the Statement of Financial Position as trade and other receivables are classified as loans and receivables. Trade receivables represent rents due from tenants of the investment property and cash held by the managing agent collected from tenants. Trade receivables are initially recognised at fair value and subsequently measured at amortised cost. A provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits held at call and short notice with banks with original maturity of less than 90 days.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Fora Space Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.10 Fair value estimations

The Company measures certain financial instruments and non-financial assets such as investment property, at fair value at the end of each reporting period. In addition, the fair value of financial instruments measured at amortised cost are disclosed in the financial statements.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants, acting in their economic best interest, at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs significant to the fair value measurement as a whole. The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Inputs used in determining fair value measurement are categorised into different levels based on how observable the inputs used are:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Fora Space Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

2. Accounting policies (continued)

Fair value estimations (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.11 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers and are initially recognised at fair value and subsequently measured at amortised cost.

2.12 Provisions

Provisions are recognised when:

- The Company has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of economic resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance costs.

2.13 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in other comprehensive income or equity - in which case, the tax is also recognised in other comprehensive income or equity. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the Statement of Financial Position.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the Statement of Financial Position and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The Company is registered in UK and is subject to local taxation at the standard rate of 20%.

Fora Space Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

2. Accounting policies (continued)

2.14 Other financial assets and liabilities

Other financial assets and liabilities are initially recognised at fair value plus (financial assets) / less (financial liabilities) directly attributable transaction costs. They are subsequently measured at amortised cost. Their book values approximate their amortised cost values, and their amortised cost values approximate their fair values.

2.15 Functional currency

The Company's financial statements are presented in pounds sterling, which is also the Company's functional currency.

3. Critical accounting estimates and judgements

There are no particular critical accounting estimates and judgements involved in the preparation of the financial statements.

4. Taxation

Factors affecting tax charge for the period

The tax on the Company's loss differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the Company as follows:

	Period ended 31 December 2016 £
Loss on ordinary activities before tax	(2,924,970)
Loss on ordinary activities multiplied by standard rate of tax in the UK of 20%	(584,994)
Effects of:	
Non-deductible expenditure	15,001
Capital allowances	(1,709)
Tax losses carried forward	571,702
Total tax charge for the period	-

There is a potential deferred tax asset in respect of losses of £485,947. However, it is not considered that this asset should be recognised in the accounts given the uncertainty over the timing of when it will reverse. This is calculated at a rate of 17% which is the substantively enacted corporation tax rate from 1 April 2020. There are no other deferred tax balances as at 31 December 2016.

Fora Space Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

5. Tangible fixed assets

	Leasehold improvements £	Furniture, fixtures & equipment £	Software development £	Total £
Cost or valuation				
Additions	3,053,044	371,751	121,642	3,546,437
At 31 December 2016	<u>3,053,044</u>	<u>371,751</u>	<u>121,642</u>	<u>3,546,437</u>
Net book value				
At 31 December 2016	<u>3,053,044</u>	<u>371,751</u>	<u>121,642</u>	<u>3,546,437</u>
At 14 October 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

No depreciation has been charged during the period as the assets were not available for use until after the period end.

6. Trade and other receivables

	2016 £
Other receivables	14,541
Prepayments and accrued income	66,585
VAT receivable	81,478
	<u>162,604</u>

Fora Space Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

7. Intercompany loans

			2016 £
	Interest rate	Terms	
£7,500,000 intercompany loan	0%	Payable on demand	3,076,532

On 30 June 2016, the Company entered into a loan agreement with its parent company, Fora Holdings Limited, based on the terms disclosed above.

8. Trade and other payables

	2016 £
Trade payables	165,121
Amounts due to Group Company	3,053,044
Accrued expenditure	469,239
	<u>3,687,404</u>

Trade payables are non-interest bearing and are normally settled on 30 day terms.

Amounts due to Group company comprises a balance due to Lever Street Limited, a company under common control.

9. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of the Company's loans and borrowings is to finance the fit out of co-working space and to provide working capital. The Company has various financial assets such as other receivables and cash and short-term deposits that arise directly from its operations.

The Board of Directors reviews and agrees policies for managing each of the following risks summarised below:

Market risk

The Company does not have any exposure to foreign currencies and is therefore not exposed to foreign exchange risk.

The Company is not exposed to commodity or security price risk.

Interest rate risk

The Company is not exposed to interest rate risk on its intercompany loans (note 7).

Fora Space Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

Financial risk management objectives and policies (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company has no significant concentrations of credit risk. The Company is exposed to credit risks from both from its operating activities and financing activities, including deposits with banks and financial institutions. The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties.

Credit risk is managed by requiring members to pay membership fees in advance. Outstanding trade receivables are regularly monitored. Cash balances are held only with financial institutions with high credit ratings. The Company has policies that limit the amount of credit exposure to any financial institution. The utilisation of credit limits is regularly monitored.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted cash flows:

Financial assets

	On demand £	< 1 year £	1 to 5 years £	> 5 years £	Total £
Period ended 31 December 2016					
Trade and other receivables	-	14,541	-	-	14,541
Cash and cash equivalents	129,926	-	-	-	129,926
Total assets	129,926	14,541	-	-	144,467

Financial liabilities

	On demand £	< 1 year £	1 to 5 years £	> 5 years £	Total £
Period ended 31 December 2016					
Trade and other payables	3,053,044	634,360	-	-	3,687,404
Intercompany loans	3,076,532	-	-	-	3,076,532
Total liabilities	6,129,576	634,360	-	-	6,763,936

Fora Space Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

Financial risk management objectives and policies (continued)

Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying amount 2016 £	Fair value 2016 £
Financial assets		
Trade and other receivables	14,541	14,541
Cash and cash equivalents	129,926	129,926
	<u>144,467</u>	<u>144,467</u>
Financial liabilities		
Trade and other payables	3,687,404	3,687,404
Intercompany loans	3,076,532	3,076,532
	<u>6,763,936</u>	<u>6,763,936</u>

The Directors assessed that cash and short-term deposits, other receivables, trade payables and other current liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments. These are classified in Level 1 and 2 of the fair value hierarchy, respectively.

10. Share capital

	2016 £
Authorised, issued and fully paid	
1 Ordinary share of £1	<u>1</u>

On 15 October 2015, the date of incorporation, the Company issued 1 ordinary £1 share at par to Fora Property Holdings Limited. On 18 May 2016 the share was transferred to Fora Holdings Limited at nominal value.

11. Reserves

A description of the Company's reserves is as follows:

Share capital - The share capital reserve represents the nominal value of the shares issued.

Retained losses - The retained losses reserve represents cumulative profit and losses, net of dividends paid and other adjustments.

Fora Space Limited

Notes to the Financial Statements For the Period Ended 31 December 2016

12. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debt.

Included in intercompany loans (note 7) is the loan received from the parent company, which the Company considers subordinated to all the liabilities and manages it as capital.

The Directors monitor capital on the basis of the net assets attributable to the owners of the parent.

13. Related party transactions

Fora Holdings Limited, a Guernsey registered company, is the immediate parent and sole owner of the issued share capital of the Company. Prior to 18 May 2016, the immediate parent was Fora Property Holdings Limited, a Guernsey registered company.

The Company has provided security over its assets in its capacity as operator of co-working space at properties owned by fellow subsidiaries Lever Street Limited, Dallington Street Limited, Princelet Street Limited, Portobello Dock Limited and Brandon House Limited, which have entered into a cross-collateralised loan facility. The loan is provided by Enhanced Debt Lending Limited and Enhanced Debt Lending S.A.

Transactions and balances with the related parties during the period and as at the Statement of Financial Position date, respectively, have been disclosed in notes 7 and 10.

14. Subsequent events

There were no material events subsequent to the period end that are required to be disclosed.