

**Company number: 12401240**

**FORWARD PARTNERS VENTURE ADVANCE LTD  
FINANCIAL STATEMENTS & ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**



**Forward Partners Venture Advance Ltd**

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for the year ended 31 December 2022**

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**Forward Partners Venture Advance Ltd**  
**COMPANY INFORMATION**  
**for the year ended 31 December 2022**

<b>DIRECTORS:</b>	N G Brisbane H Silva (resigned 04 June 2022) L Smith (appointed 21 July 2022)
<b>REGISTERED OFFICE</b>	124 City Road, London, England, EC1V 2NX
<b>TRADING ADDRESS</b>	WeWork, 1 Mark Square, London EC2A 4EG
<b>REGISTERED NUMBER:</b>	12401240 (England and Wales)
<b>AUDITOR:</b>	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
<b>SOLICITORS:</b>	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU

**Forward Partners Venture Advance Ltd**  
**STRATEGIC REPORT**  
**for the year ended 31 December 2022**

The directors present their strategic report for the year ended 31 December 2022.

### Principal Activity

The principal activity of Forward Partners Venture Advance Limited (the Company, Forward Advances) in the year under review was that of loan advances for revenue-based finance to corporate customers.

### Financial Highlights & Company KPIs

	2022 £'000	2021 £'000
Revenue	346	487
Loss after tax	(2,809)	(2,178)
Total assets	938	4,899
Net assets/(liabilities)	839	(1,840)
Debt write off	464	790
Debt write off %	9.6%	8.4%

### Operational Highlights

This financial year saw a continuation of the evolving environment resulting from the COVID-19 pandemic and the impact of the rising inflation and recession during the year. The Company was quick to take necessary measures to safeguard its employees and monitor the liquidity of the Company. These early steps to prudently manage the business meant that it remained well financed.

On 24 August 2022 the Directors announced their intention to wind down the business, and from this date the business ceased offering new loans, however the Directors intend for the business to continue to operate for the purposes of recovering all receivables and settling its liabilities as they fall due. The Company made a loss for the year which is in line with the expectations of Directors following the winddown. The full amount of the debt facility drawdown with Triple Point Advancr of £1m has been repaid as at 31 December 2022, and the debenture on the facility was released on 3 January 2023.

The Company's financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). Further information is available about the Group in the Annual Report and can be obtained from [www.forwardpartners.com](http://www.forwardpartners.com).

### Principal Risks and Uncertainties

On 24 August 2022 the Group commenced the wind down of the Company. The Company will continue to operate for the purposes of recovering its receivables and settling its liabilities as they fall due.

Key emergent risks considered to be significant in 2022 focused on the UK macroeconomic environment and its potential impact on the Company and our clients. The impact of the higher-than-average inflation and a recession in the second half of the year has been the greatest influencer on the business during the year.

The rising inflation and ongoing recession has negatively impacted the Company's ability to collect outstanding loans as some customers struggle to keep up with repayments. However, the future impact of this risk is considered to be decline as the Company has minimal outstanding loans outstanding remaining as at year end.

**Forward Partners Venture Advance Ltd**  
**STRATEGIC REPORT**  
**for the year ended 31 December 2022**

***Lending Risk***

Lending risk falls into three main categories as defined below and the mitigation factors:

Risk Type	Mitigation
Credit risk – the risk that Forward Advances borrowers default on their advances or obligations	<ul style="list-style-type: none"> <li>• Operate in selected sectors where the Company has expertise</li> <li>• Consistently apply the approved credit policy and price credit facilities for risk</li> <li>• Undertake robust in-life management of the advances portfolio ensuring all collections are undertaken in a timely manner</li> <li>• Perform regular monitoring and reporting of the portfolio with swift escalation if limits are breached</li> </ul>
Capital Risk – the risk that Forward Advances has insufficient capital to support its business strategy	<ul style="list-style-type: none"> <li>• Have a robust and realistic business plan and forecast</li> <li>• Forward Advances has sufficient net assets and cash to support its business, but has financial support</li> </ul>
Operational Risk – the risk that Forward Advances suffers losses from inadequate or failed internal processes, people or systems, including fraud or legal risks	<ul style="list-style-type: none"> <li>• Identify and allocate owners to all material business processes and conduct risk assessments on these</li> <li>• Set and implement controls to monitor and ensure compliance with the policies designed to mitigate operational risks</li> <li>• Perform regular monitoring of controls</li> <li>• Conduct regular business continuity, disaster recovery and cyber security vulnerability testing</li> <li>• Conduct regular compliance testing and monitoring of customer outcomes</li> <li>• Regularly monitor the results of operations of the business against the estimated outcome statement established at date of winddown to ensure that the Company is operating in line with expectations until all remaining loans are collected and expected winddown costs incurred.</li> </ul>

***Macro-Economic Risk***

A significant UK macro-economic downturn could result in a worse than expected credit performance including any impact from the ongoing recession and rising inflation. This is mitigated by all credit applications being assessed in the light of potential stress scenarios combined with regular monitoring to allow rapid response to signs of a worsening macro environment.

***Operational Risk***

Failure of the Company's contracted third-parties', accounting systems or disruption to their businesses might lead to an inability to provide accurate reporting and monitoring or loss to shareholders. The Company regularly reviews the performance of third-party suppliers at management meetings.

***Internal Control Risk***

Failures in key controls – with size of the Company and having a small number of staff means that the review and control functions are concentrated in a minority of staff. The Company mitigates this risk by having dual authorisation. The Board seeks to mitigate the internal control risk by setting policy, regular reviews of performance, enforcement of contractual obligations and monitoring progress and compliance.

The impact on the going concern of the Company has been discussed further in the Directors report.

**Forward Partners Venture Advance Ltd**  
**STRATEGIC REPORT**  
**for the year ended 31 December 2022**

**Future Developments**

On 24 August 2022 the Directors announced their intention to wind down the business. The Company will continue to operate for the purposes of recovering its receivables and settling its liabilities as they fall due.

Parent and ultimate controlling party is Forward Partners Group Plc, with registered address at 124 City Road, London, England, EC1V 2NX.

**Directors' Duties**

The Directors fulfil their duties through a governance framework that includes delegation of certain day-to-day decision making to senior employees, principally members of the Companies senior management team.

**On behalf of the board**

*Nicholas Brisbane*

Nicholas Brisbane  
Managing Director  
Date: 24/4/2023

**Forward Partners Venture Advance Ltd**  
**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2022**

The directors present their report with the audited financial statements of Forward Partners Venture Advance Ltd for the year ended 31 December 2022.

**Directors**

The directors who held office during the year were:

N G Brisbane  
H Silva (resigned 04 June 2022)  
L Smith (appointed 21 July 2022)

**Dividends**

A dividend of £NIL was distributed during the year ended 31 December 2022 (2021: £NIL).

**Going Concern**

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements.

The directors have considered the going concern assessment undertaken at Group on behalf of the Company. The funding of the Company is received from the Group. The directors have reviewed the Group's cash flow forecasts and considered the impact of the rising inflation and ongoing recession, which has included stress testing the cash flow forecasts for severe but plausible downside scenarios and performing a reverse stress test covering the period 12 months from date of signing (the going concern assessment period). This period is appropriate due to continued economic uncertainty.

On 24 August 2022 the Directors announced their intention to wind down the business, and from this date the business ceased offering new loans. However the Directors intend for the business to continue to operate for the purposes of recovering all receivables and settling its liabilities as they fall due. As part of the wind-down process, the Group has waived all intercompany loans due from the Company which puts the Company in a net asset position. In addition, the Group is committed to providing funding to the Company as needed. The Company has made a loss for the current period which was in line with its estimated outcome assessment.

Having regard to the above, the Directors believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

**Financial Risk Management**

The Company's operations expose it to a variety of financial risks which are outlined in note 15 to these financial statements.

*Financial risk*

The Company's activities expose it to a variety of financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the board which evaluate and manage financial risks in close co-operation with the managing directors. The Company:

- regularly reviews credit extended to customers with appropriate action being taken to minimise the cost of bad debts;
- balances risk and return when assessing where to place cash surplus to the Company's immediate requirements; and
- keeps open options to employ debt finance to ensure that the Company has sufficient funds for continuing operations and planned expansions.

**Forward Partners Venture Advance Ltd**  
**REPORT OF THE DIRECTORS (continued)**  
**for the year ended 31 December 2022**

**Market risk**

The Company is exposed to market risk through its use of financial instruments and specifically to interest rate risk, currency risk, and certain other price risks, which result from both its operating and investing activities. The Company has interest-bearing assets which are subject to a variable rate of interest. Thus, the Company is exposed to interest rate risk, which is not expected to have a significant impact on profit or loss or equity. The Company considers its exposure to currency risk as minimal.

**Foreign exchange risk**

Most of the Company's transactions are carried out in GBP. Exposures to currency exchange rates arise from the repayment of one loan in Euros (EUR) but the loan was originally made and denominated in sterling (GBP). The Company also holds bank deposits primarily denominated in GBP, with a small balance held in EUR. The Company does not enter into long term contracts that would increase currency exposure.

**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 is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. The Company has implemented policies that require appropriate credit checks on potential customers before loan advances are made.

**Liquidity risk**

The Company keeps open avenues for securing debt finance to ensure that funds may be called upon if and when needed for operations and payments due in respect of acquisitions. The board monitors the Company's liquidity position on the basis of expected cash flow on a regular basis.

The following table analyses the Company's financial liabilities, which will be settled on a net basis, into relevant maturity groupings, based on the remaining period to maturity at 31 December 2022. The amounts disclosed are the contractual undiscounted cash flows:

	Less than 1 year £'000	Between 1 & 2 yrs £'000	Between 2 & 5 yrs £'000	Over 5 yrs £'000
<b>At 31 December 2022</b>				
Trade and other payables	88	-	-	-
Intercompany loans	10	-	-	-
Non-current financial liabilities	-	-	-	-
<b>Total</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Capital risk**

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 to shareholders. The Company defines capital as share capital plus reserves. The Company is not subject to any externally imposed capital requirements. The board monitors levels of cash.

**Share Capital**

The issued share capital of the Company at the end of 31 December 2022 was £620,000 divided into 620,000 ordinary shares of £1 each. Details of the movements in issued share capital in the year are set out in Note 16.

**Subsequent Events and Future Developments**

There are no adjusting or significant non-adjusting events have occurred between the date of the balance sheet and the date of authorisation.



**Forward Partners Venture Advance Ltd**  
**REPORT OF THE DIRECTORS (continued)**  
**for the year ended 31 December 2022**

**Employees**

Following the winddown announcement on 24 August 2022, all employees have been separated from the business. As at that date, there were no exercisable share options. All share options previously granted to employees under the Long Term Incentive Plan (LTIP) arrangement awarded on 23 December 2021 have been forfeited.

**Provision of Information to Auditor**

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Independent Auditors**

The auditors, Grant Thornton UK LLP were appointed as auditors during the year and have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

*Nicholas Brisbane*

Nicholas Brisbane  
Managing Director

Date: 24/4/2023

**Forward Partners Venture Advance Ltd**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**For the year ended 31 December 2022**

The directors are responsible for preparing the strategic report, the report of the directors and the Company 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 the directors have elected to prepare the Company accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework') and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

They are further responsible for ensuring that the strategic report, the report of the directors and other information included in the annual report and financial statements is prepared in accordance with applicable law and regulations in the UK.

The maintenance and integrity of the Company's website is the responsibility of the directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the UK governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

*Nicholas Brisbane*

Nicholas Brisbane  
Managing Director

Date: 24/4/2023

**Forward Partners Venture Advance Ltd**  
**Independent Auditor's Report to the Shareholders**  
**for the year ended 31 December 2022**

**Opinion**

We have audited the financial statements of Forward Partners Venture Advance Limited (the 'company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as rising inflation and interest rates, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Forward Partners Venture Advance Ltd**  
**Independent Auditor's Report to the Shareholders**  
**for the year ended 31 December 2022**

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

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 strategic report or the directors' report.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Forward Partners Venture Advance Ltd**  
**Independent Auditor's Report to the Shareholders**  
**for the year ended 31 December 2022**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and management. We determined that the most significant laws and regulations were United Kingdom Accounting Standards, including FRS 101 'The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006;
- We enquired of the directors and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Company's board and audit committee meetings;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
  - testing journal entries, including manual journal entries processed at the year-end for financial statements preparation and journals with unusual account combinations; and
  - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

**Forward Partners Venture Advance Ltd  
Independent Auditor's Report to the Shareholders  
for the year ended 31 December 2022**

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the Company operates; and
  - understanding of the legal and regulatory frameworks applicable to the Company.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those 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.

*Grant Thornton UK LLP*

William Pointon  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
Date: 24/4/2023

Registered number: 12401240

**Forward Partners Venture Advance Ltd**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 December 2022**

	Note	Year ended 31.12.22 £	Year ended 31.12.21 £
Revenue	4	345,739	486,518
Administrative expenses		(2,842,517)	(2,512,999)
<b>Loss from operations</b>		<b>(2,496,778)</b>	<b>(2,026,481)</b>
Finance costs		(295,867)	(131,557)
Depreciation and amortisation	5,10,11	(16,895)	(16,651)
Share-based payments	17	-	(2,346)
<b>Loss before taxation</b>	5	<b>(2,809,540)</b>	<b>(2,177,035)</b>
Corporation tax (credit)/charge	9	745	(1,355)
<b>Loss for the year after tax</b>		<b>(2,808,795)</b>	<b>(2,178,390)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss</b>		<b>(2,808,795)</b>	<b>(2,178,390)</b>

Results of the current and prior years are from continuing operations.

The notes on pages 18 to 35 form part of these financial statements

Registered number: 12401240

**Forward Partners Venture Advance Ltd**  
**STATEMENT OF FINANCIAL POSITION**  
for the year ended 31 December 2022

	Note	31.12.22 £	31.12.21 £
<b>Non-Current Assets</b>			
Intangible Assets	10	-	70,683
Property, plant & equipment	11	2,440	5,421
		<u>2,440</u>	<u>76,104</u>
<b>Current Assets</b>			
Trade and other receivables	12	18,598	1,180,712
Current Financial assets held at FVTPL	15	67,429	804,426
Current Financial assets held at amortised cost	15	27,697	1,498,649
Cash and cash equivalents	15	822,092	1,339,081
		<u>935,816</u>	<u>4,822,868</u>
<b>Total Assets</b>		<b>938,256</b>	<b>4,898,972</b>
<b>Current Liabilities</b>			
Trade and other payables	13	88,200	96,954
Loans and borrowings		10,072	5,707,206
<b>Total Current Liabilities</b>		<u>98,272</u>	<u>5,804,160</u>
<b>Non-Current Liabilities</b>			
Loans and borrowings		-	933,916
Deferred Tax	14	610	1,355
<b>Total Non-Current Liabilities</b>		<u>610</u>	<u>935,271</u>
<b>Total Liabilities</b>		<b>98,882</b>	<b>6,739,431</b>
<b>Net Assets/(Liabilities)</b>		<u><b>839,374</b></u>	<u><b>(1,840,459)</b></u>
<b>Capital and reserves attributable to equity holders of the company</b>			
Called up share capital	16	620,000	620,000
Capital Contribution Reserve		5,488,628	-
Retained earnings		(5,269,254)	(2,460,459)
<b>Total shareholders' funds</b>		<u><b>839,374</b></u>	<u><b>(1,840,459)</b></u>

Approved and authorised for issue by the board on 24 April 2023 and signed on its behalf by;



Lloyd Smith  
Director

The notes on pages 18 to 35 form part of these financial statements



Registered number: 12401240

**Forward Partners Venture Advance Ltd**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2022**

	Share Capital	Share based payment reserve	Capital Contribution Reserve	Retained Earnings	Total
	£	£	£	£	£
<b>Balance at 01 January 2021</b>	620,000	-	-	(284,415)	335,585
Loss for year attributable to equity holders	-	-	-	(2,178,390)	(2,178,390)
Options granted and awards exercised	-	2,346	-	-	2,346
<b>Balance at 31 December 2021</b>	<b>620,000</b>	<b>2,346</b>	<b>-</b>	<b>(2,462,805)</b>	<b>(1,840,459)</b>
Loss for year attributable to equity holders	-	-	-	(2,808,795)	(2,808,795)
Waiver of loans from parent company	-	-	5,488,628	-	5,488,628
Share based payment charges	-	55,508	-	-	55,508
Options forfeited	-	(57,854)	-	2,346	(55,508)
<b>Balance at 31 December 2022</b>	<b>620,000</b>	<b>-</b>	<b>5,488,628</b>	<b>(5,269,254)</b>	<b>839,374</b>

Registered number: 12401240

**Forward Partners Venture Advance Limited**  
**Notes to the Financial Statements**  
**for the year Ended 31 December 2022**

**1. Corporate Information**

Forward Partners Venture Advance Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page. The nature of the Company's operations and its principal activities are set out in the strategic report on page 4. The financial statements are presented in pounds sterling which is the Company's functional and presentation currency. The figures shown in the financial statements are rounded to the nearest pound.

**2. Accounting Policies****Basis of Preparation**

The company's financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The financial statements have been prepared under the historical cost convention except for contract assets that have been measured at fair value.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 15.

The financial statements have been prepared on a going concern basis. Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate as the Company has adequate resources to continue in operational existence for the foreseeable future based upon forecasts.

**Disclosure exemptions adopted**

In preparing these financial statements the Company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

- Additional comparative information as per IAS 1 Presentation of Financial Statements paragraph 38 in respect of:
  - a reconciliation of the number of shares outstanding at the start and end of the prior period; and
  - reconciliations of the carrying amounts of property, plant and equipment, intangibles assets and investment property at the start and the end of the prior period.
- A Statement of Cash Flows and related disclosures for cash flows from discontinued activities
- A statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead)
- Additional comparative information for narrative disclosures and information, beyond IFRS requirements
- Disclosure of the effect of future accounting standards not yet adopted
- The remuneration of key management personnel
- Related party transactions with two or more wholly owned members of the group
- Certain disclosures required under IFRS 15 Revenue from Contracts with Customers, including disaggregation of revenue, details of changes in contract assets and liabilities, and details of incomplete performance obligations

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## **2. Accounting Policies (continued)**

### **Going Concern**

The Company made a loss for the year of £(2,808,795) (2021: net loss £(2,178,390)) and has net assets of £839,374 (2021: net liabilities £(1,840,459)).

The directors are presenting these Financial Statements on a going concern basis. The Company relies on advances being repaid by corporate customers to generate its income and to fund future advances. The management continually monitors the repayments of customer to ensure that they continue to repay and would be quick to intervene should any customer delay or slow their repayments. The Company's parent Forward Partners Group PLC listed on the London Stock Exchange in July 2021 raising £36.6m of cash. Forward Partners Group PLC made some of these funds available to the Company to ensure that the Company has sufficient funds in the medium term to continue as a going concern. In 2021, it raised a £5.0m debt facility of which £4.0m is undrawn as at 31 December 2021 with a third-party debt provider to ensure that the business has sufficient funds to continue to grow as per its strategic plan. There were no further drawdowns made on the debt facility in 2022.

The Company has made a loss for the current period which was in line with its strategic plan as it invested to build its service offering. On 24 August 2022, the Directors announced their intention to wind down the business. The Company is expected to continue to operate for the purposes of recovering its receivables and settling liabilities as they fall due. As part of the winddown process, the Group have waived all intercompany loans and balances payable to Forward Partners Group plc. In addition, the Group has repaid the Company's third party loan on its behalf. The Group is committed to providing additional funding to the Company as needed.

### **Revenue recognition**

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the Company identified the contract with a customer, identifies the performance obligations in the contract; determines the transaction price which takes into account the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative standalone selling price of each distinct service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

The Company originates two types of loans, revenue based variable repayment and fixed repayment loans.

#### *Variable repayment loans*

The first type of loan has a variable repayment obligation calculated on the revenue generated by the client. These loan receivables are recognised at fair value; therefore, revenue arises from the movement in the fair value of the loan receivable through profit and loss.

#### *Fixed repayment*

The second type of loan receivable originated by Forward Advances has a fixed repayment obligation, these loans are recognised at amortised cost and therefore interest income is recognised using the effective interest rate method to give a constant rate of income based on the amount outstanding.

Both types of loan income are subject to the requirements of IFRS 9. Accordingly, please see the Financial Instruments section within Accounting Policies for further detail on the specific revenue recognition principles.

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**2. Accounting Policies (continued)****Contract assets - Estimating the repayment term**

Management is required to estimate the repayment term on loans which do not contractually have an agreed repayment schedule. Management will review the borrows historical revenues and based on that profile will agree with the borrower an agreed percentage of the borrows weekly revenue to be paid to the Company as repayment of the loan. The Company will target to have the loan repaid over 6 months. The actual revenues of the borrower will vary from the expected and this means that the actual repayment term of the loan will vary. Management will review each loan regularly to ensure that the loan is repaid within target 6-month term but has the discretion to accept a longer repayment term if appropriate.

**Taxation**

Current tax is the tax currently payable based on the taxable profit for the year.

Deferred tax is provided in full on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss under a business combination. Deferred tax is determined using tax rates and laws that have been substantially enacted by the statement of financial position date, and that are expected to apply when the temporary difference reverses.

Tax losses available to be carried forward, and other tax credits to the Company, are recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

**Intangible Assets**

All finite-lived intangible assets accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairments testing as described below. Website development costs are amortised on a straight-line basis over their useful economic lives.

Website development – customer portal

- 20% of cost on a straight-line basis

**Impairment**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All property, plant and equipment with a finite life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Impairment losses are charged to administrative expenses.

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**2. Accounting Policies (continued)****Property, plant and equipment**

Property, plant and equipment are stated at cost net of depreciation and any provision for impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss in the period in which they are incurred.

Depreciation is provided on all property, plant and equipment other than freehold land, at rates calculated to write off the cost of non-current assets, less their estimated residual value, over the shorter of the expected useful life or lease term, on the following bases:

Computer equipment	- 33% of cost on a straight-line basis
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**Impairment of property, plant and equipment**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All property, plant and equipment with a finite life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Impairment losses are charged to administrative expenses.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the date of the Company's statement of financial position are reported at the rates of exchange prevailing at that date. All foreign exchange gains and losses are presented in the statement of comprehensive income within the administrative expense heading.

**Financial instruments***Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

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**2. Accounting Policies (continued)***Classification and initial measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- amortised cost;
- fair value through profit or loss (FVPL); or
- fair value through other comprehensive income (FVOCI).

In the year presented the Company does not have any financial assets that would be designated as hedging instruments or financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

*Subsequent measurement of financial assets*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest rate (EIR) method. Discounting is omitted where the effect of discounting is immaterial.

The Group's financial assets at amortised cost includes trade receivables and loan receivables on a fixed repayment schedule

Financial assets at fair value through profit or loss (FVPL) are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. Further, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

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## **2. Accounting Policies (continued)**

### *Impairment of financial assets*

Trade Receivables are accounted for under the simplified approach. IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Group applies the impairment requirements of IFRS 9. The IFRS 9 impairment model requires a three-stage approach:

- Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ("ECLs") (that is, expected losses arising from the risk of default in the next 12 months) are recognised and interest income is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but are not credit-impaired. For these assets, lifetime ECLs (that is, expected losses arising from the risk of default over the life of the financial instrument) are recognised, and interest income is still calculated on the gross carrying amount of the asset. The Group assumes there has been a significant increase in credit risk if outstanding amounts on the financial assets exceed 30 days, in line with the rebuttable presumption per IFRS 9 at which point the assets are considered to be stage 2.
- Stage 3 consists of financial assets that are credit impaired, which is when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. For these assets, lifetime ECLs are also recognised, but interest income is calculated on the net carrying amount (that is, net of the ECL allowance). The Group defines a default, classified as stage 3, as an asset with any outstanding amounts exceeding a 60-day due date, which reflects the point at which the asset is considered to be credit-impaired.

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost and recognises a loss allowance for such losses at each reporting date. The measurement of ECLs reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

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**2. Accounting Policies (continued)****Trade receivables**

The Group makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

**Financial liabilities**

Trade payables and other short-term monetary liabilities are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest rate method.

**Share based payments**

Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The Group has not issued any cash settled awards during the period.

*Equity-settled transactions*

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 17. That cost is recognised in employee benefits expense (Note 17), together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 17).



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**3. Critical Accounting Estimates and Judgements**

The Company may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgement was exercised relate to management's assessment of recoverability of loan advances and the amount of provision provided for these balances.

**4. Revenue**

The revenue of the Company during the year was generated solely within the United Kingdom from continuing operations for all years.

	Year ending 31.12.22 £	Year ending 31.12.21 £
Fair value income from loans receivable	345,739	407,854
Interest income	-	78,664
<b>Total revenue</b>	<b>345,739</b>	<b>486,518</b>

**5. Loss Before Taxation**

The profit before taxation is stated after charging:

	Year ending 31.12.22 £	Year ending 31.12.21 £
Amortisation—intangible assets	14,854	15,936
Depreciation—tangible assets	2,041	716
<b>Total amortisation &amp; depreciation</b>	<b>16,895</b>	<b>16,652</b>

Total administrative expenses include impairment losses pertaining to:

Impairment loss from intangible assets	55,829	-
Impairment loss from loan advances	463,632	528,640
	<b>519,461</b>	<b>528,640</b>

**6. Employee & Employee Related Costs**

The average number of employees during the year was as follows:

	Year ending 31.12.22	Year ending 31.12.21
Directors	1	2
Administration	6	4
	<b>7</b>	<b>6</b>

There were no employees remaining in the Company as at the end of the year.

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**6. Employee & Employee Related Costs (continued)**

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	789,542	402,929
Defined benefit pension costs	14,725	10,532
Benefits (healthcare)	3,934	1,784
Social security costs	76,900	47,381
	<u>885,101</u>	<u>462,626</u>
Long-term employee benefits (Share-based payments)	-	2,347
	<u>885,101</u>	<u>464,973</u>

**7. Directors' Remuneration**

The following table summarises the gross aggregate remuneration of the Directors who served during the year to 31 December 2022:

	Short term employee benefits		Post-employment Benefits		Year ended 31.12.22	Year ended 31.12.21
	Basic Salary	Taxable benefits	Pension Contributions	LTIP	Total	Total
	£	£	£	£	£	£
Total	98,948	-	-	-	98,948	171,521

**8. Auditor's Remuneration**

Audit	Year ending 31.12.22	Year ending 31.12.21
	£	£
Grant Thornton LLP		
<b>Audit</b>		
Fees payable to the Company's auditor for the audit of the annual accounts	32,000	41,785
Total audit	<u>32,000</u>	<u>41,785</u>
<b>Tax &amp; Other services</b>		
Tax compliance services	6,250	7,025
Total Tax & other services	<u>6,250</u>	<u>7,025</u>
<b>Total</b>	<u>38,250</u>	<u>48,810</u>

In the prior year, the Company also paid out fees for other tax assurance services to external consultants other than the appointed auditors. This includes fees to Shipleys LLP of £1k. There were no such fees incurred in 2022.

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**9. Taxation on Ordinary Activities**

Analysis of tax charge in year	Year ending 31.12.22 £	Year ending 31.12.21 £
<b>Current tax:</b>		
UK corporation tax in the year	-	-
Total current tax charge	-	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(10,442)	1,355
Adjustment in respect of previous years	9,697	-
Taxation (credit)/charge	(745)	1,355
<b>Tax on loss on ordinary activities</b>	<b>(745)</b>	<b>1,355</b>

The relationship between expected tax expense based on the effective tax rate of 19% and the tax expense actually recognised in the income statement can be reconciled as follows:

**Reconciliation of tax on ordinary activities**

Loss on ordinary activities before tax	(2,809,540)	(2,177,035)
Tax on loss on ordinary activities at standard rate of corporation tax of 19%	(533,813)	(413,637)
Effects of:		
Effect of expenses not deductible for tax purposes	198	10
Group relief surrendered	125,701	-
Effect of capital allowances and depreciation	-	(1,030)
Origination and reversal of timing differences	-	1,355
Adjustments in respect of prior periods	9,697	-
Change in rates	(10,364)	-
Unused tax losses	407,836	414,657
<b>Total tax (credit)/charge</b>	<b>(745)</b>	<b>1,355</b>

The Company has a potential deferred tax asset in respect of trading losses totalling £1,117,162 (2021: £523,365). This deferred tax asset has not been recognised as the company is currently loss making and is expected to generate a net loss at the end of the wind down process.

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**10. Intangible Assets**

	<b>Technology Infrastructure £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2022	89,118	89,118
Additions	-	-
Impairment	(89,118)	(89,118)
At 31 December 2022	<u>-</u>	<u>-</u>
<b>Depreciation/Amortisation</b>		
At 1 January 2022	18,435	18,435
Charge for the year	14,854	14,854
Impairment charge	(33,289)	(33,289)
At 31 December 2022	<u>-</u>	<u>-</u>
<b>Net Book Value</b>		
At 31 December 2022	<u>-</u>	<u>-</u>
At 31 December 2021	<u><b>70,683</b></u>	<u><b>70,683</b></u>

**11. Property, Plant & Equipment**

	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2022	6,137	6,137
Additions	5,595	5,595
Disposals	(8,443)	(8,443)
At 31 December 2022	<u>3,289</u>	<u>3,289</u>
<b>Depreciation/Amortisation</b>		
At 1 January 2022	716	716
Charge for the year	2,041	2,041
Disposals	(1,908)	(1,908)
At 31 December 2022	<u>849</u>	<u>849</u>
<b>Net Book Value</b>		
At 31 December 2022	<u><b>2,440</b></u>	<u><b>2,440</b></u>
At 31 December 2021	<u><b>5,421</b></u>	<u><b>5,421</b></u>

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**12. Trade and other Receivables**

	31.12.22 £	31.12.21 £
Trade receivables	16,684	139,856
Prepayments	1,914	8,863
Other receivables – Cash held in online banks not deemed to qualify to be disclosed in Cash and cash equivalents	-	1,031,992
	<u>18,598</u>	<u>1,180,712</u>

**13. Trade And Other Payables**

	31.12.22 £	31.12.21 £
Trade payables	2,602	3,398
Social security and other taxes	-	28,127
Other payables and accruals	85,598	65,429
	<u>88,200</u>	<u>96,954</u>

**14. Deferred Tax**

	31.12.22 £	31.12.21 £
Origination and reversal of timing differences	610	1,355
	<u>610</u>	<u>1,355</u>

Movement in deferred tax for the period consist of:

	31.12.22 £	31.12.21 £
At January	1,355	-
Deferred tax (credit)/charge in the year	(10,442)	1,355
Adjustments in respect of prior periods	9,697	-
At 31 December	<u>610</u>	<u>1,355</u>

Deferred tax has been provided at 25%.

The UK Government legislated in the Finance Act 2021, which received Royal Assent on 24 May 2021 to increase the standard rate of UK corporation tax from 19% to 25%, effective 1 April 2023, for companies with profits in excess of £250,000. Companies with profits £50,000 or less will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

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**15. Financial Assets and Financial Liabilities**

The description of each category of financial asset and financial liability and the related accounting policies are shown below. The carrying amount of financial assets and financial liabilities in each category are as follows:  
Set out below are the Company's financial instruments:

<b>Financial assets</b>	<b>31.12.22</b>	<b>31.12.21</b>
	<b>£</b>	<b>£</b>
Trade and other receivables	18,598	1,180,712
Financial assets measured at fair value through profit or loss	67,429	804,426
Financial assets measured at amortised cost	27,697	1,498,649
Cash at bank and in hand	822,092	1,339,081
<b>Total financial assets</b>	<b>935,816</b>	<b>4,822,868</b>
<b>Financial liabilities</b>		
Trade and other payables	88,200	96,954
Loans	10,072	5,707,206
<b>Short-term financial liabilities</b>	<b>98,272</b>	<b>5,804,160</b>
Non-current borrowings	-	933,916
<b>Long-term financial liabilities</b>	<b>-</b>	<b>933,916</b>
<b>Total financial liabilities</b>	<b>98,272</b>	<b>6,739,431</b>

**Fair value**

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade, payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

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**15. Financial Assets and Financial Liabilities (continued)****Financial instruments risk management objectives and policies**

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to credit and liquidity risk. The Company's senior management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures that are identified, measured and managed in accordance with the Company's policies and risk objectives. The main risk arising from the Company's financial instruments is credit risk.

**Capital Management**

The Company's main objectives when managing capital is to protect returns to shareholders by ensuring the Company will continue to trade for the foreseeable future. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

**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 is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Company's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised below:

Loans receivable recognised at fair value	As at 31 Dec 2022 £	As at 31 Dec 2021 £
Trade & other receivables	18,598	1,180,712
Loans receivable recognised at fair value	67,429	804,426
Loans receivable recognised at amortised cost	27,697	1,498,649
Cash & cash equivalents	822,092	1,339,081
	<b>935,816</b>	<b>4,822,868</b>

The Company's loans and other receivables are actively monitored. The ageing profile of loans receivables is monitored regularly by directors. Loan repayments are collected by direct debit and any repayments unable to be collected are reviewed by the Managing Director on a weekly basis. Explanations sought for any expected repayments that have not been recovered and a recovery plan is discussed and implemented with the client.

**Trade receivables and contract assets**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding loan receivables and contract assets are regularly monitored and an impairment analysis is performed at each reporting date

**Liquidity Risk**

Cash and cash equivalents comprise cash and are held in readily accessible bank accounts. The fair values of the Company's financial instruments are considered not to be materially different to their book value.

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**15. Financial Assets and Financial Liabilities (continued)****Contractual maturities of financial liabilities as at 31 December 2022**

	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cashflows	Carrying amount liabilities
	£	£	£	£	£	£	£
Trade and other payables	88,200	-	-	-	-	88,200	88,200
Loans	-	10,072	-	-	-	10,072	10,072
<b>Total</b>	<b>88,200</b>	<b>10,072</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,272</b>	<b>98,272</b>

**Contractual maturities of financial liabilities as at 31 December 2021**

	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cashflows	Carrying amount liabilities
	£	£	£	£	£	£	£
Trade and other payables	96,954	-	-	-	-	96,954	96,954
Loans	-	5,707,206	-	933,916	-	6,641,122	6,641,122
<b>Total</b>	<b>96,954</b>	<b>5,707,206</b>	<b>-</b>	<b>933,916</b>	<b>-</b>	<b>6,738,076</b>	<b>6,738,076</b>

**Interest rate risk**

Interest rate risk is the risk that the future cash flows associated with financial instruments will fluctuate because of changes in market interest rates. To the Company this only applies to interest rates on cash and cash equivalents. These interest rates on cash and cash equivalents are low, such that interest risk is minimal.

**Foreign currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. All transactions in the period were in pounds sterling. The directors are of the opinion that there is no material foreign currency risk.

**16. Share Capital**

<b>Called up, allotted and fully paid</b>	<b>Number of shares</b>	<b>Ordinary Shares £</b>	<b>£</b>
At 31 December 2022	620,000	1	620,000
At 31 December 2021	620,000	1	620,000

Ordinary shares carry full and equal rights to participate in voting in all circumstances, in dividends and in capital distributions, whether on a winding up basis or otherwise. The shares are not redeemable.



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**17. Share Based Payments****General Employee Share Option Plan (GESP)**

Under the Long-Term Investment Plan (LTIP), the Group, at its discretion, may grant share options of the Group to employees and directors of the Group, once the employee has passed probation. There are two components, Group and Advances to the LTIP scheme with different vesting criteria. Staff can be award a mix of options under either component or just one component. The vesting criteria for each component are:

- Group – Vesting of the share options is dependent on the Group's total shareholder return (TSR) and realisation proceeds performance conditions (RPPC) on a 75% and 25% split respectively during the performance period.
- Advances - Vesting of the share options is dependent on Forward Advances value of originations (new loans made), loan default percentage and gross internal rate of return (IRR) on loans on a 60%, 20% and 20% split respectively during the performance period.

The fair value of share options granted subject to the TSR element is estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions on which the share options were granted. The model simulates the TSR and compares it against the group of principal competitors. It takes into account the expected dividends, and the share price volatility of the Group relative to that of its competitors so as to predict the share performance.

The fair value of share options granted subject to the RPPC is estimated at the date of grant using the Black-Scholes method, taking into account the terms and conditions on which the share options were granted. The method expected level of achievement for this condition based on the forecast actual values for these targets provided by the Group as at the 31 December 2021.

The fair value of share options granted subject to the Advance component is estimated at the date of grant using the Black-Scholes method, considering the terms and conditions on which the share options were granted. The method expected level of achievement for this condition is based on the forecast values for the Company achieving the 80% level.

The exercise price of the share options is £0.01 on the date of grant. The contractual term of the share options is six years and there are no cash settlement alternatives for the employees. Following the winddown of the business on 23 August 2022, all shares granted have been forfeited. There are no exercisable options.

The expense recognised for employee services received during the year is shown in the following table:

	31.12.22	31.12.21
		£
Expense arising from equity-settled share-based payment transactions	-	2,346
<b>Total expense arising from share-based payment transactions</b>	<b>-</b>	<b>2,346</b>

There were no cancellations or modifications to the awards during the period.

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**17. Share Based Payments (continued)****General Employee Share Option Plan (GESP) (continued)****Movements during the year**

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	31.12.22	31.12.22	31.12.21	31.12.21
	Number	WAEP	Number	WAEP
Outstanding at 1 January	282,030	£1.095	-	-
Granted during the year	-	-	282,030	£1.095
Forfeited during the year	(282,030)	£1.095	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
<b>Outstanding at 31 December</b>	<b>-</b>	<b>-</b>	<b>282,030</b>	<b>£1.095</b>
Exercisable at 31 December	-	-	-	-

The weighted average fair value of options granted during 2022 was £1.095 (2021: £1.095). The range of exercise prices for options outstanding at the end of the year was £0.01 exactly.

The table below lists the inputs to the models used for the two plans for the year ended 31 December 2021. All shares outstanding in 2021 have been forfeited during the year. There were no shares granted during the year.

Grant date	23.12.21	23.12.21	23.12.21
	GESP	GESP	AESP
Model	Monte-Carlo	Black-Scholes	Black-Scholes
Vesting period ends	19 Jul 2024	19 Jul 2024	19 Jul 2024
Share price at date of grant	£1.095	£1.095	£1.095
Dividend yield (%)	0.00%	0.00%	0.00%
Expected volatility (%)	43.44%	43.44%	43.44%
Risk-free interest rate (%)	0.65%	0.65%	0.65%
Fair value per option at grant date	£0.592	£0.868	£0.868
Exercise price at date of grant	£0.01	£0.01	£0.01
Exercisable from / to	19 Jul 2024 / 19 Jul 2026	19 Jul 2024 / 19 Jul 2026	19 Jul 2024 / 19 Jul 2026
Expected life of share options (years)	2.57	2.57	2.57

The standard practice would be to estimate the Company's share price volatility over a period equivalent to the expected life (2.57 years) ending on the Valuation Date (23 December 2021). However, as the Group only listed on London Stock Exchange in 2021, it is not possible to calculate volatility over a period equivalent to the expected life. Accordingly, the approach to calculate an average volatility over a period equivalent to the expected life ending on the Valuation Date (23 December 2021) of three comparable UK listed companies.

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**18. Related Party Disclosures**

**Subsidiaries**

Forward Partners Management Company Limited has taken advantage of the exemption under FRS 101 paragraph 8(k) not to disclose information about the transactions entered between two or more members of the group where any subsidiary which is a party to the transactions is wholly owned by such a member.

**Key Management Personnel**

Forward Partners Management Company Limited has taken advantage of the exemption under FRS 101 paragraph 8(j) of the exemption not to disclose related party transaction in respect of key management personnel.

**19. Controlling Parties**

The immediate parent undertaking is Forward Partners Group Plc (reg no. 13244370).

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Forward Partners Group Plc. Copies of the Forward Partners Group Plc consolidated financial statements can be obtained from the Company Secretary at 124 City Road, London, England, EC1V 2NX.

**20. Events After the Reporting Date**

There are no adjusting or significant non-adjusting events have occurred between the date of the balance sheet and the date of authorisation.