

FF Management Limited

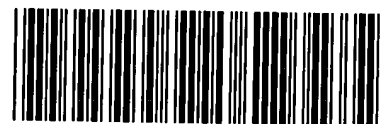
Unaudited Financial Statements

Period Ended

31 December 2021

Company Number 13243738

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FF Management Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of FF Management Limited For the Period Ended 31 December 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of FF Management Limited for the year ended 31 December 2021 which comprise the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>

It is your duty to ensure that FF Management Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of FF Management Limited. You consider that FF Management Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of FF Management Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of our report

This report is made solely to the board of directors of FF Management Limited, as a body, in accordance with the terms of our engagement letter dated 1 December 2021. Our work has been undertaken solely to prepare for your approval the accounts of FF Management Limited and state those matters that we have agreed to state to the board of directors of FF Management Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than FF Management Limited and its board of directors as a body for our work or for this report.



BDO LLP
Birmingham
United Kingdom

Date: 12 July 2022

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

FF Management Limited
Registered number:13243738

Statement of Financial Position
As at 31 December 2021

	Note	2021 £	2021 £
Fixed assets			
Tangible assets	4		25,037
Investments	5		2,160,634
			<u>2,185,671</u>
Current assets			
Debtors: amounts falling due within one year	6	1,231,250	
Cash at bank and in hand		964,807	
		<u>2,196,057</u>	
Creditors: amounts falling due within one year	7	(3,246,980)	
		<u></u>	
Net current liabilities			(1,050,923)
			<u></u>
Net liabilities			<u>1,134,748</u>
			<u></u>
Capital and reserves			
Called up share capital	8		2
Fair value reserve			2,160,634
Profit and loss account			(1,025,888)
			<u>1,134,748</u>
			<u></u>

FF Management Limited

Registered number:13243738

Statement of Financial Position (continued) As at 31 December 2021

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

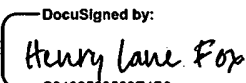
The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

C2400588599E4B3...
HL Fox
Director

Date:

12 July 2022 | 09:17 PDT

FF Management Limited

Statement of Changes in Equity For the Period Ended 31 December 2021

	Called up share capital £	Fair value reserve £	Profit and loss account £	Total equity £
Comprehensive income for the period				
Profit for the period	-	-	1,134,746	1,134,746
Total comprehensive income for the period	-	-	1,134,746	1,134,746
Contributions by and distributions to owners				
Shares issued during the period	2	-	-	2
Increase in fair value of investments	-	2,160,634	(2,160,634)	-
Total transactions with owners	2	2,160,634	(2,160,634)	2
At 31 December 2021	2	2,160,634	(1,025,888)	1,134,748

The notes on pages 5 to 11 form part of these financial statements.

FF Management Limited

Notes to the Financial Statements For the Period Ended 31 December 2021

1. General information

FF Management Limited, registered number: 13243738, presents its financial statements for the period ended 31 December 2021.

The financial statements are for the 10 month period from incorporation on 4 March 2021 to 31 December 2021.

FF Management Limited is a limited liability company, registered in England and Wales and was incorporated under the Companies Act. The registered office of the Company is Founders Factory Northcliffe House, Young Street, London, United Kingdom, W8 5EH.

The principal activity of the Company during the period was that of management and consultancy.

A summary of the Company's accounting policies, which have been consistently applied, are set out below:

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are the first set of financial statements prepared by the Company and the Directors have decided to adopt Financial Reporting Standard 102.

The financial statements are rounded to the nearest £.

2.2 Going concern

The financial statements have been prepared on a going concern basis. The Directors consider the going concern basis to be appropriate because the Company have prepared cashflow forecasts for 12 months based on current trading conditions which show that the Company will continue to be cash positive throughout the period. Additionally, in the event that further funding is required, the current investors have indicated their willingness and ability to introduce further cash into the business.

FF Management Limited

Notes to the Financial Statements For the Period Ended 31 December 2021

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

FF Management Limited

Notes to the Financial Statements For the Period Ended 31 December 2021

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

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:

Computer equipment	-	33%
Bicycles	-	20%

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.

2.7 Investments in associates

Investments in associates are stated at fair value.

The valuation of each associate is reviewed quarterly and at year end taking into account the trading performance, funding, product, team and market positioning. Associates are tested for impairment or revaluation whenever events or changes in circumstances indicate that their carrying amount should either be impaired or revalued. Any revaluation in the fair value will be recognised through the Statement of Comprehensive Income within other operating income. Our valuation metrics for investments are outlined below:

For investments in associates that have stopped trading or have a low probability of success: nil

For investments in associates where third-party fundraising has been raised within the past 18 months then the valuation on the investment is based on a mark-to-market as per the valuation used in the latest equity investment round.

FF Management Limited

Notes to the Financial Statements For the Period Ended 31 December 2021

2. Accounting policies (continued)

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including Directors, during the period was 47.

FF Management Limited

Notes to the Financial Statements For the Period Ended 31 December 2021

4. Tangible fixed assets

	Computer equipment £	Bicycles £	Total £
Cost or valuation			
Additions	21,418	4,318	25,736
At 31 December 2021	21,418	4,318	25,736
Depreciation			
Charge for the period	445	254	699
At 31 December 2021	445	254	699
Net book value			
At 31 December 2021	20,973	4,064	25,037

5. Fixed asset investments

	Investments in associates £
Cost or valuation	
Revaluations	2,160,634
At 31 December 2021	2,160,634

6. Debtors

	2021 £
Trade debtors	102,277
Amounts owed by related parties	1,115,188
Called up share capital not paid	2
Prepayments and accrued income	13,783
	1,231,250

FF Management Limited

Notes to the Financial Statements For the Period Ended 31 December 2021

7. Creditors: Amounts falling due within one year

	2021 £
Trade creditors	30,275
Amounts owed to related parties	43,994
Other taxation and social security	589,349
Other creditors	34,536
Accruals and deferred income	2,548,826
	<u>3,246,980</u>

8. Share capital

	2021 £
Allotted, called up and partly paid	
23,300 Ordinary shares of £0.0001 each	2
1 Special share of £0.0001	-
	<u>2</u>

On incorporation of the Company on 4 March 2021, 23,300 Ordinary shares of £0.0001 nominal value each were issued, with total nominal value of £2.33. No consideration for these shares have been received by the Company as at the Statement of Financial Position date.

On 1 June 2021, 1 Special share of £0.0001 nominal value was issued. No consideration for this share has been received by the Company as at the Statement of Financial Position date.

Ordinary shares are standard ordinary shares with full voting rights.

Special shares entitle the shareholder to anti-dilution rights and the right to 75% of votes in the event of acquisition of Founders Factory Limited.

9. Reserves

Fair value reserve

Represents the cumulative unrealised valuation movement on other financial instruments held under the fair value model, which is transferred from retained earnings.

Profit and loss account

Includes all current retained profits and losses excluding cumulative unrealised valuation movements on other financial instruments held under the fair value model, which is transferred to the fair value reserve.

FF Management Limited

Notes to the Financial Statements For the Period Ended 31 December 2021

10. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £72,326. Contributions totalling £31,148 were payable to the fund at the reporting date and are included in creditors.

11. Related party transactions

During the period, the Company charged £717,498 in service fees from FF AV JV Limited. Included within debtors at the period end is an amount owed by FF AV JV Limited of £143,500.

During the period, the Company charged £300,000 in service fees from FFN JV Limited. Included within debtors at the period end is an amount owed by FFN JV Limited of £470,000.

During the period, the Company charged £4,625,642 in service fees from Founders Factory Limited. Included within debtors at the period end is an amount owed by Founders Factory Limited of £477,601.

During the period, the Company incurred \$125 of legal expenses on behalf of FF Emerald Holdco Inc. Included within debtors at the period end is an amount owed by FF Emerald Holdco Inc of £92.

During the period, the Company charged \$30,000 in service fees from Founders Factory America Inc. In addition, the Company incurred \$125 and £1,727 of legal expenses on behalf of Founders Factory America Inc. Included within debtors at the period end is an amount owed by Founders Factory America Inc of £23,995.

During the period, the Company incurred incubator costs of £5,182 to Founders Factory Bucharest SRL. Included within creditors at the period end is an amount owed to Founders Factory Bucharest SRL of £5,182.

12. Controlling party

In the opinion of the Directors, the Company has no controlling party.