

**FORBES VENTURES**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

# FORBES VENTURES

## COMPANY INFORMATION

### Directors

Mr P Moss  
Mr R S Cooper  
Mr N Quinton (Appointed 2 May 2018)  
Mr I Zjalic (Appointed 2 May 2018)  
Mr K Kashefi (Appointed 28 September 2018)

### Company number

WK-143629

### Registered office

190 Elgin Avenue  
George Town  
Grand Cayman KY1-9005  
Cayman Islands

### Auditor

AMS Accountants Corporate Limited  
Chartered Accountants  
Statutory Auditor  
Floor 2  
9 Portland Street  
Manchester  
M1 3BE

# FORBES VENTURES

## CONTENTS

	<b>Page</b>
Strategic report	1
Directors' report	2
Directors' responsibility statement	3
Corporate governance statement	4 – 5
Independent auditor's report	6 – 8
Income statement	9
Statement of other comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 – 24

# FORBES VENTURES

## STRATEGIC REPORT

### *FOR THE YEAR ENDED 31 DECEMBER 2018*

The Directors present the strategic report and financial statements for the year ended 31 December 2018.

#### **Review of the business**

##### Business Strategy and objectives

Forbes Ventures is an investment company that has a focus on the finance, property and legal sectors with particular reference to innovative technology solutions that improve service, scalability and efficiency. The business is developing rigorous investment assessment processes using both in-house and external professional advice to enable it to consider a wider portfolio of investment opportunities in a risk averse way. These processes will assess the relevance of individual investments whilst ensuring a risk balanced portfolio is developed over time.

##### Business environment

During the accounting period, the Company disposed of its entire interest in KCR Residential REIT Plc as per the announcement made on 2 May 2018. The disposal, together with the Board Appointments detailed in that announcement, provide the Company with the necessary resources to execute its strategy and, in turn, begin to deliver value to shareholders.

The Company's remaining equity holding is in Allica Ltd (Previously called Civilised Bank Limited), a new challenger bank start-up. The Company's announcement dated 9 May 2018 provides further information about the current performance of this investment.

##### Business Performance

The main activity for this year has been the rationalisation of investment holdings to properly align them with the corporate strategy and the investment in processes and people to facilitate the Company's future. This has resulted in a financial loss of \$532,000 for the year. We continue to be well-supported by our majority shareholder, Quanta Capital Ltd (A Company registered in the British Virgin Islands – number 1948583 ), as we build out a robust platform for investment.

No doubt, the year ahead will be transformative for the Group. We look forward to updating shareholders on a regular basis, as we roll out our investment strategy. I would also like to take this opportunity to thank my fellow Directors for their tireless efforts over the past year as we have developed our investment processes and infrastructure.

On behalf of the board

Mr P Moss

**Director**

1 April 2019

# FORBES VENTURES

## DIRECTORS' REPORT

### *FOR THE YEAR ENDED 31 DECEMBER 2018*

The Directors present their annual report and financial statements for the year ended 31 December 2018.

The Corporate Governance Statement set out on pages 4 and 5 forms part of this report.

#### **Principal activities**

The principal activity of the Company continued to be that of an investment Company.

#### **Results and dividends**

The results for the year are set out on pages 9 and 10.

No ordinary dividends were paid. The Directors do not recommend payment of a final dividend.

#### **Directors**

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P Moss

Mr R S Cooper

Mr N Quinton (Appointed 2 May 2018)

Mr I Zjalic (Appointed 2 May 2018)

Mr K Kashefi (Appointed 28 September 2018)

#### **Supplier payment policy**

The Company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The Company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

#### **Financial instruments**

##### ***Liquidity risk***

The Company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the business.

#### **Auditor**

In accordance with the Company's articles, a resolution proposing that AMS Accountants Corporate Limited be reappointed as auditor of the Company will be put at a General Meeting.

#### **Statement of disclosure to auditor**

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the Company's Auditor is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's Auditor is aware of that information.

On behalf of the board

Mr P Moss

**Director**

1 April 2019

# **FORBES VENTURES**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2018***

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

# **FORBES VENTURES**

## **CORPORATE GOVERNANCE STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

### **CORPORATE GOVERNANCE STATEMENT**

The Company's shares are traded on NEX and accordingly, compliance with the revised UK Corporate Governance Code is not mandatory. However, the Company has sought to comply with a number of provisions of the Code in so far as it considers them to be appropriate for a company of this size and nature. The Board is accountable to the Company's shareholders for good corporate governance. This report describes how the Company applies the provisions of good corporate governance.

The Company supports the concept of an effective Board leading and controlling the Company. The Board is responsible for approving Company policy and strategy. It meets on a regular basis and has a schedule of matters specifically reserved to it for decision. Consultants supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from the Company Secretary and independent professional advice at the Company's expense.

At 31 December 2018, the Board consisted of the Non-Executive Chairman, one Non-Executive Director and the three Executive Directors. The Directors will review the composition of the Board on a regular basis and intend to appoint additional independent Non-Executive Directors once suitable investments have been identified.

### **RELATIONS WITH SHAREHOLDERS**

The Company values the views of its shareholders and recognises their interest in the Company's strategy and performance. The Annual General Meeting is used to communicate with private investors and they are encouraged to participate. The Directors will be available to answer questions. Separate resolutions will be proposed on each issue so that they can be given proper consideration and there will be a resolution to approve the Annual Report and accounts.

### **AUDIT COMMITTEE**

The Audit Committee once established, will meet at least twice a year and will comprise of Peter Moss (Chair of the Audit Committee) and Robert Cooper. In summary, the Committee will be responsible for the functions recommended by the UK Corporate Governance Code including:

- Review the annual financial statements and interim reports prior to approval, focusing on changes in the principal accounting policies and practices, major judgmental areas, significant audit adjustments, going concern and compliance with accounting standards, Stock Exchange and legal requirements;
- Receive and consider reports on internal financial controls, including reports from the auditors and report their findings to the Board;
- Consider the appointment of the auditors and their remuneration including the review and monitoring of independence and objectivity;
- Meet the auditors to discuss the scope of their audit, issues arising from their work and any matters the auditors wish to raise;
- Develop and implement a policy on the engagement of the external auditor to supply non-audit services; and
- Review the Company's corporate review procedures and any settlement on internal control prior to endorsement by the Board.

# **FORBES VENTURES**

## **CORPORATE GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

### **REMUNERATION COMMITTEE**

The Remuneration Committee comprises of Peter Moss and Robert Cooper. The Committee has the following key duties;

- Reviewing and recommending the emoluments, pension entitlement and other benefits of any executive and, as appropriate, other senior executives; and
- Reviewing the operation of any share option schemes implemented by the Company and the granting of options under such schemes.

### **INTERNAL CONTROL**

The Board is committed to the maintenance of effective internal controls. The Board recognises its responsibility for maintaining a strong system of internal control to safeguard shareholders' investment and the Company's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has determined that there is currently no requirement for an internal audit function. However, the Directors will continue to review the requirement for an internal audit function on a regular basis.



# FORBES VENTURES

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF FORBES VENTURES

#### Opinion

We have audited the financial statements of Forbes Ventures (the 'company') for the year ended 31 December 2018 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union;

#### 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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

In our opinion, based on the work undertaken in the course of our 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.

# FORBES VENTURES

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF FORBES VENTURES

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where applicable law 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, 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.

#### **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.

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

# **FORBES VENTURES**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF FORBES VENTURES**

#### **Use of our report**

This report is made solely to the company's members, as a body. 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.

**David Clegg (Senior Statutory Auditor)**  
**for and on behalf of AMS Accountants Corporate Limited**

1 April 2019

**Chartered Accountants**  
**Statutory Auditor**

Floor 2  
9 Portland Street  
Manchester  
M1 3BE

# FORBES VENTURES

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Notes	\$	\$
Other operating income		-	-
Administrative expenses		(368,574)	(121,958)
<b>Operating loss</b>	<b>3</b>	(368,574)	(121,958)
Investment revenues	7	43	32,864
Finance costs		(1,694)	-
Other gains and losses	8	(29,322)	-
<b>Loss before taxation</b>		<u>(399,547)</u>	<u>(89,094)</u>
Income tax expense		-	-
<b>Loss and total comprehensive income for the year</b>		<u>(399,547)</u>	<u>(89,094)</u>

The income statement has been prepared on the basis that all operations are continuing operations.

# FORBES VENTURES

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
Loss for the period		(399,547)	(89,094)
Other comprehensive income/(loss)	10	(132,065)	-
Income tax expense		-	-
<b>Total comprehensive income /(loss) for the year</b>	<b>19</b>	<u>(531,612)</u>	<u>(89,094)</u>

The income statement has been prepared on the basis that all operations are continuing operations.

Basic loss per share	(0.0014)	(0.0003)
Diluted loss per share	(0.0014)	(0.0003)
Weighted average number of shares	382,279,227	305,599,776

No dividends were proposed or declared in respect of any of the periods presented above.

The accompanying notes form part of this historical financial information.

# FORBES VENTURES

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
<b>Non-current assets</b>			
Property, plant and equipment	9	-	74
Investments	10	103	-
Intangible assets	11	56,785	-
		<u>56,888</u>	<u>74</u>
<b>Current assets</b>			
Investments	10	132,065	567,110
Trade and other receivables	13	43,784	139,050
Cash and cash equivalents		175	30,651
		<u>176,024</u>	<u>736,811</u>
<b>Total assets</b>		<u>232,912</u>	<u>736,885</u>
<b>Current liabilities</b>			
Trade and other payables	15	188,207	336,287
<b>Net current (liabilities)/assets</b>		<u>(12,183)</u>	<u>400,524</u>
<b>Total liabilities</b>		<u>188,207</u>	<u>336,287</u>
<b>Net assets</b>		<u>44,705</u>	<u>400,598</u>
<b>Equity</b>			
Called up share capital	16	98,293,401	98,166,292
Capital redemption reserve	17	92,740	92,740
Other reserves	18	292,568	243,958
Retained earnings	19	(98,634,004)	(98,102,392)
<b>Total equity</b>		<u>44,705</u>	<u>400,598</u>

The financial statements were approved by the board of directors and authorised for issue on 1 April 2019 and are signed on its behalf by:

Mr P Moss  
Director

Company Registration No. WK-143629

# FORBES VENTURES

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital \$	Capital redemption reserve \$	Other reserves \$	Retained earnings \$	Total \$
<b>Balance at 1 January 2017</b>		97,448,070	92,740	243,958	(98,013,298)	(228,530)
<b>Year ended 31 December 2017:</b>						
Loss and total comprehensive income for the year		-	-	-	(89,094)	(89,094)
Issue of share capital		718,222	-	-	-	718,222
<b>Balance at 31 December 2017</b>		<u>98,166,292</u>	<u>92,740</u>	<u>243,958</u>	<u>(98,102,392)</u>	<u>400,598</u>
<b>Year ended 31 December 2018:</b>						
Loss and total comprehensive income for the year		-	-	-	(531,612)	(531,612)
Issue of share capital	<b>16</b>	127,109	-	-	-	127,109
Transfer to other reserves	<b>18</b>	-	-	48,610	-	48,610
<b>Balance at 31 December 2018</b>		<u><u>98,293,401</u></u>	<u><u>92,740</u></u>	<u><u>292,568</u></u>	<u><u>(98,634,004)</u></u>	<u><u>44,705</u></u>

# FORBES VENTURES

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018		2017	
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25		(400,672)		(49,994)
			<u>          </u>		<u>          </u>
<b>Net cash outflow from operating activities</b>			(400,672)		(49,994)
<b>Investing activities</b>					
Purchase of intangible assets	11	(56,785)		-	
Purchase of property, plant and equipment		-		(99)	
Proceeds on disposal of investments		178,524		(561,944)	
Interest on other loans		43		32,864	
Loan to subsidiary		(33,045)		-	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from/(used in) investing activities</b>			88,737		(529,179)
<b>Financing activities</b>					
Proceeds from issue of shares	16	127,109		579,172	
Loan from related party	15	105,740		-	
Adjustment to capital	18	48,610		-	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from financing activities</b>			281,459		579,172
			<u>          </u>		<u>          </u>
<b>Net decrease in cash and cash equivalents</b>			(30,476)		(1)
Cash and cash equivalents at beginning of year			30,651		30,652
			<u>          </u>		<u>          </u>
Cash and cash equivalents at end of year			175		30,651
			<u>          </u>		<u>          </u>



# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1 Accounting policies

##### Company information

Forbes Ventures is a publicly listed company by shares incorporated in Cayman Islands. The registered office is 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted for use in the European Union.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The Directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives.

#### 1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

#### 1.5 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1 Accounting policies

##### 1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.7 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

##### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.9 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1 Accounting policies

##### ***Available for sale financial assets***

Financial assets classified as available for sale are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where an AFS financial asset is disposed of or determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Dividends and interest earned on AFS financial assets are included in the investment income line item in the statement of comprehensive income.

##### ***Loans and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### ***Impairment of financial assets***

Financial assets, other than those at Fair Value Through Profit and Loss (FVTPL), are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### 1.10 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through statement of comprehensive income or other financial liabilities.

##### ***Other financial liabilities***

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1 Accounting policies

##### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

##### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period. Currency exchange rates have been rounded to two decimal places.

##### 1.15 Brexit

The impact of Brexit has been reviewed. The slowing or contracting of markets may impact on the target business lines but should not unduly threaten the long-term viability of the business. It is felt that Brexit may generate opportunities that the business can exploit. The possible impacts of Brexit have been taken into account when forming the estimates used in these statements.

##### 1.16 Currency

The functional currency of the business is sterling and the reporting currency is American dollars.

#### 2 Revenue

	2018	2017
	\$	\$
<b>Other significant revenue</b>		
Interest income	43	32,864

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 3 Operating loss

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(21,840)	(15,925)
Depreciation of property, plant and equipment	-	25
Loss on disposal of property, plant and equipment	74	-
	<u>74</u>	<u>-</u>

#### 4 Auditor's remuneration

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	3,994	4,052
	<u>3,994</u>	<u>4,052</u>
<b>For other services</b>		
Other services	9,931	-
	<u>9,931</u>	<u>-</u>

#### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
	4	1
	<u>4</u>	<u>1</u>

Their aggregate remuneration comprised:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	4,187	-
	<u>4,187</u>	<u>-</u>

#### 6 Directors' remuneration

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Remuneration for qualifying services	151,731	35,742
	<u>151,731</u>	<u>35,742</u>

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 7 Investment income

	2018	2017
	\$	\$
<b>Interest income</b>		
Bank deposits	43	64
Investments held at fair value through Statement of Comprehensive Income	-	32,800
Total interest revenue	<u>43</u>	<u>32,864</u>

Total interest income for financial assets that are not held at fair value through statement of comprehensive income is \$43 (2017 - \$64).

Investment income earned on financial assets, analysed by category of asset, is as follows:

	2018	2017
	\$	\$
Investments held at fair value through Statement of Comprehensive Income.	-	32,800

#### 8 Other gains and losses

	2018	2017
	\$	\$
Movement in investments	(29,322)	-
	<u>(29,322)</u>	<u>-</u>

During the year, the Company rationalised the assets held for investment purposes to fund future development and better align the assets to the revised future strategy. As part of this activity the Company sold all of its interests in KCR Residential Reit Plc. This generated a loss of \$124,457.

In addition, a debt owed for interest on a loan (\$32,800) was written off as the debtor had been declared bankrupt. It is unlikely that any funds will be received out of this bankruptcy. Any funds received will be credited to the Statement of Comprehensive Income in the year of receipt.

The business wrote off a longstanding foreign tax credit (\$127,935) as it was no longer considered to be outstanding.

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 9 Property, plant and equipment

	<b>Computers</b>
	<b>\$</b>
At 31 December 2017	99
Disposals	(99)
	<hr/>
At 31 December 2017	25
Eliminated on disposal	(25)
<b>Carrying amount</b>	
At 31 December 2018	-
At 31 December 2017	74
	<hr/> <hr/>

#### 10 Investments

	<b>Current</b>		<b>Non-current</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Investments held at fair value through other comprehensive income	132,065	567,110	-	-
Investments in subsidiaries	-	-	103	-
	<hr/>	<hr/>	<hr/>	<hr/>
	132,065	567,110	103	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through statement of comprehensive income.

#### Fair value of financial assets carried at amortised cost

Except as detailed below the Directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

The Directors conducted a fair value assessment of the business' investment in Allica Limited (previously named Civilised Bank) - a start-up bank. It has been assessed that following a number of share issues, the value of the investment has been diluted. The Directors have reduced the value of the investment from \$264,130 to \$132,065 and the write-off has been recorded in the Other Comprehensive Income Statement.

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 11 Intangible assets

	<b>Development costs</b>
	<b>\$</b>
<b>Cost</b>	
Additions – purchased	56,785
At 31 December 2018	56,785
<b>Carrying amount</b>	
At 31 December 2018	56,785

Forbes Ventures invested in a long-term business arrangement with a third party (See note 21) and incurred expenditure in 2018 - \$56,785 (2017 - \$nil) to facilitate this. This investment has been treated as an intangible asset and will be written off over the life of the asset. Other costs have been incurred in Forbes Ventures Investment Management Ltd and will be written off with a consistent amortisation policy.

#### 12 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

<b>Name of undertaking</b>	<b>Country of incorporation</b>	<b>Ownership interest (%)</b>	<b>Voting power held (%)</b>	<b>Nature of business</b>
Forbes Advisory Ltd	Grand Cayman	100.00	100.00	Dormant
Forbes Ventures Investment Management Ltd	England and Wales	100.00	100.00	Investment management

During the year, the company established a new wholly owned subsidiary called Forbes Advisory Ltd located in Grand Cayman. The subsidiary is dormant.

In addition, the company has renamed a wholly owned United Kingdom subsidiary changing its name from Mentum Services Limited to Forbes Ventures Investment Management Ltd. During the year Forbes Ventures Investment Management Ltd commenced work to build the governance structures and procedures for future trading and it is expected that it will commence trading activities in early 2019. The costs of this work have not been consolidated in the group reporting.

#### 13 Trade and other receivables

	<b>Current 2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Other receivables	6,053	139,050
Amounts owed by related parties	33,147	-
Prepayments	4,584	-
	<u>43,784</u>	<u>139,050</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.



# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 14 Trade receivables - credit risk

##### Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value. No significant receivable balances are impaired at the reporting end date.

#### 15 Trade and other payables

	Current	
	2018	2017
	\$	\$
Trade payables	67,771	46,530
Amounts owed to subsidiary undertakings	103	-
Amounts owed to related parties	105,740	-
Accruals	14,593	-
Social security and other taxation	-	127,935
Other payables	-	161,822
	<u>188,207</u>	<u>336,287</u>

#### 16 Share capital

	2018	2017
	\$	\$
<b>Ordinary share capital</b>		
<b><i>Issued and fully paid</i></b>		
129,418,497 ordinary shares of 75.197739c each	97,319,784	97,319,784
500,000 partly paid shares of 25.6572c each	128,286	128,286
40,000,000 ordinary shares paid for by an investment of 0.6428375c each	257,135	257,135
83,333,333 ordinary shares paid for by an investment of 0.386445c each	322,037	322,037
103,000,000 ordinary shares paid for by an investment of 0.135c each	139,050	139,050
100,007,081 ordinary shares paid for by an investment of 0.1271c each	127,109	-
	<u>98,293,401</u>	<u>98,166,292</u>

During the year Quanta Capital Ltd (A Company registered in the British Virgin Islands – number 1948583) exchanged \$127,109 of loans to the company for 100,000,000 ordinary shares at a price of 0.1271c each.

#### 17 Capital redemption reserve

	2018	2017
	\$	\$
At beginning and end of year	<u>92,740</u>	<u>92,740</u>

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

<b>18 Other reserves</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Opening balance	243,958	243,958
Movement in year	48,610	-
Closing balance	<u>292,568</u>	<u>243,958</u>

  

<b>19 Retained earnings</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
At the beginning of the year	(98,102,392)	(98,013,298)
Loss for the year	<u>(531,612)</u>	<u>(89,094)</u>
At the end of the year	<u>(98,634,004)</u>	<u>(98,102,392)</u>

### 20 Capital risk management

The company is not subject to any externally imposed capital requirements.

### 21 Contingent liabilities

The business entered in to an agreement for professional services with an intermediary for the acquisition of funding to be utilised in the services provided by the group. The agreement relates to a specific transaction that is expected to complete during 2019. An advance payment has been made during 2018 (\$56,785) and a further \$172,000 (exact amount dependent on currency exchange rate at date of transaction) will be paid spread over a number of tranches of funding. The total costs will be carried as an intangible asset and written off against profits over the life of the asset. Receipt of funding is the contingent event.

### 22 Operating lease commitments

#### Lessee

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases.

The business occupies a rental property with an annual rental of \$14,300pa. This agreement runs from 1st May each year for 12 months and can be terminated by either party prior to this date for the year following. At 31 December 2018 the minimum commitment is 5 months rental and \$5,958.

### 23 Related party transactions

No guarantees have been given or received. Forbes Ventures has provided a letter of support for Forbes Ventures Investment Management Ltd that guarantees support for Forbes Ventures Investment Management Ltd whilst Forbes Ventures wholly owns the business and that support for the firm is consistent with the group's long-term plans.

At the year end the company owed Belvedere Capital Limited, the largest shareholder in 2017, £nil (2017: £161,824). The loan is interest free and unsecured.

At the year end, the company owed Quanta Capital Ltd (A company registered in the British Virgin Islands – number 1948583), the largest shareholder £100,653 (2017: £nil). The loan is unsecured and accrues interest on commercial terms.

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 24 Controlling party

Quanta Capital Ltd (A company registered in the British Virgin Islands – number 1948583) holds 59.84% of the shareholding of Forbes Ventures.

#### 25 Cash generated from operations

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Loss for the year after tax	(399,547)	(89,094)
<b>Adjustments for:</b>		
Investment income	(43)	(32,864)
Loss on disposal of property, plant and equipment	74	-
Depreciation and impairment of property, plant and equipment	-	25
Other gains and losses (Note 8)	(29,322)	-
Other write offs and adjustments	55,778	-
<b>Movements in working capital:</b>		
Decrease/(increase) in trade and other receivables	(10,637)	-
(Decrease)/increase in trade and other payables	35,937	71,939
<b>Cash absorbed by operations</b>	<u>(400,672)</u>	<u>(49,994)</u>