

**FORBES VENTURES**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

# FORBES VENTURES

## COMPANY INFORMATION

---

### Directors

Mr P Moss  
Mr R S Cooper (Appointed 29 November 2017)  
Mr N Quinton (Appointed 2 May 2018)  
Mr I Zjalic (Appointed 2 May 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  
2nd Floor  
9 Portland Street  
Manchester  
M1 3BE

---

# FORBES VENTURES

## CONTENTS

---

	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Corporate governance statement	5 - 6
Independent auditor's report	7 - 8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 20

---

# FORBES VENTURES

## STRATEGIC REPORT

### *FOR THE YEAR ENDED 31 DECEMBER 2017*

---

The directors present the strategic report and financial statements for the year ended 31 December 2017.

#### Business Strategy and objectives

Forbes Ventures is an investment company with a focus on the finance and property sectors where innovative technology can be deployed to improve efficiency and achieve scalability. Investments may be made by way of equity, debt or both, and investments may be listed or unlisted. All of our investments are rigorously assessed, using sector specialist expertise, against our investment policy, and we target an exit from our investment position within 3 to 5 years. We seek to add value to our investments by providing industry knowledge and technology expertise, together with risk, governance and regulatory compliance support. This enables our investments to achieve strong growth underpinned by quality and risk management.

#### Business environment

After 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 the announcement dated 2 May 2018, provide the Company with the necessary resources to execute its strategy and in turn begin to deliver value to shareholders.

The Companies remaining equity holding is in 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

For the year ended 31 December 2017 the company made a loss of £89,094 which is an improvement on the previous year's loss of £607,875. The main reasons for this are due to a fall in legal and professional fees, which fell by £159,024, consultancy fees which fell by £142,737 and advertising which fell by £82,736.

On behalf of the board

Mr P Moss  
**Director**  
31 May 2018

# FORBES VENTURES

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

The directors present their annual report and financial statements for the year ended 31 December 2017.

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 page 9.

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

No preference 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 C Bateman	(Appointed 1 April 2017 and resigned 25 September 2017)
Mr M Karani	(Resigned 29 November 2017)
Mr R S Cooper	(Appointed 29 November 2017)
Mr N Quinton	(Appointed 2 May 2018)
Mr I Zjalic	(Appointed 2 May 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

AMS Accountants Corporate Limited were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at the Annual 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.

# FORBES VENTURES

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2017*

---

On behalf of the board

Mr P Moss  
**Director**  
31 May 2018

# FORBES VENTURES

## DIRECTORS' RESPONSIBILITIES STATEMENT

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

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.

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 2017, the Board consisted of the Non-Executive Chairman and one other Non-Executive Director. The Directors will review the composition of the Board on a regular basis and intend to appoint additional executive and/or independent Non-Executive Directors once a suitable acquisition has been identified.

# FORBES VENTURES

## CORPORATE GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2017**

---

### **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 2017, the Board consisted of the Non-Executive Chairman and one other Non-Executive Director. The Directors will review the composition of the Board on a regular basis and intend to appoint additional executive and/or independent Non-Executive Directors once a suitable acquisition has 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 2017*

---

### **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 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 2017 which comprise the Statement of Comprehensive Income, 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 2017 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

#### 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.

#### **Other matters which we are required to address**

The financial statements of Forbes Ventures for the year ended 31 December 2016, were audited by another auditor who expressed an unmodified opinion on those statements.

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

31 May 2018

2nd Floor  
9 Portland Street  
Manchester  
M1 3BE

---

# FORBES VENTURES

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

---

		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
Other operating income		-	893
Administrative expenses		(121,958)	(802,448)
		<hr/>	<hr/>
<b>Operating loss</b>	<b>3</b>	(121,958)	(801,555)
Investment revenues	<b>7</b>	32,864	-
Finance costs	<b>8</b>	-	(884,813)
Other gains and losses	<b>9</b>	-	1,078,493
		<hr/>	<hr/>
<b>Loss before taxation</b>		(89,094)	(607,875)
Income tax expense		-	-
		<hr/>	<hr/>
<b>Loss and total comprehensive income for the year</b>	<b>17</b>	(89,094)	(607,875)
		<hr/>	<hr/>

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

# FORBES VENTURES

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017 \$	2016 \$
<b>Non-current assets</b>			
Property, plant and equipment	10	74	-
<b>Current assets</b>			
Investments	11	567,110	5,166
Trade and other receivables	12	139,050	-
Cash and cash equivalents		30,651	30,652
		736,811	35,818
<b>Total assets</b>		736,885	35,818
<b>Current liabilities</b>			
Trade and other payables	14	336,287	264,348
<b>Net current assets/(liabilities)</b>		400,524	(228,530)
<b>Total liabilities</b>		336,287	264,348
<b>Net assets/(liabilities)</b>		400,598	(228,530)
<b>Equity</b>			
Called up share capital	15	98,166,292	97,448,070
Capital redemption reserve	16	92,740	92,740
Other reserves		243,958	243,958
Retained earnings	17	(98,102,392)	(98,013,298)
<b>Total equity</b>		400,598	(228,530)

The financial statements were approved by the board of directors and authorised for issue on 31 May 2018 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 2017

---

	Notes	Share capital \$	Capital redemption reserve \$	Other reserves \$	Retained earnings \$	Total \$
<b>Balance at 1 January 2016</b>		97,059,609	92,740	121,654	(97,405,423)	(131,420)
<b>Year ended 31 December 2016:</b>						
Loss and total comprehensive income for the year		-	-	-	(607,875)	(607,875)
Issue of share capital	15	388,461	-	-	-	388,461
Transfer to other reserves		-	-	122,304	-	122,304
<b>Balance at 31 December 2016</b>		<u>97,448,070</u>	<u>92,740</u>	<u>243,958</u>	<u>(98,013,298)</u>	<u>(228,530)</u>
<b>Year ended 31 December 2017:</b>						
Loss and total comprehensive income for the year		-	-	-	(89,094)	(89,094)
Issue of share capital	15	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>

---

# FORBES VENTURES

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

---

	Notes	2017		2016	
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	21	(49,994)		(1,101,544)	
Interest paid			-	(114,864)	
			<u>          </u>	<u>          </u>	
<b>Net cash outflow from operating activities</b>		(49,994)		(1,216,408)	
<b>Investing activities</b>					
Purchase of property, plant and equipment		(99)		-	
Proceeds on disposal of investments		(561,944)		4,566,725	
Interest received		32,864		-	
		<u>          </u>		<u>          </u>	
<b>Net cash (used in)/generated from investing activities</b>		(529,179)		4,566,725	
<b>Financing activities</b>					
Proceeds from issue of shares		579,172		123,323	
Repayment of borrowings		-		(3,450,000)	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from/(used in) financing activities</b>		579,172		(3,326,677)	
		<u>          </u>		<u>          </u>	
<b>Net (decrease)/increase in cash and cash equivalents</b>			(1)		23,640
Cash and cash equivalents at beginning of year			30,652		7,012
			<u>          </u>		<u>          </u>
Cash and cash equivalents at end of year			30,651		30,652
			<u>          </u>		<u>          </u>

---

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 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 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 on the following bases:

Computers	25% reducing balance
-----------	----------------------

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.

#### 1.4 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible 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.

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 profit or loss, 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.

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 1 Accounting policies

##### 1.5 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.

##### 1.6 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.

##### 1.7 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.

##### **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 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.

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 1 Accounting policies

##### ***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.

#### 1.8 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.

#### 1.9 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.

#### 1.10 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.

#### 1.11 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.

#### 2 Revenue

	2017	2016
	\$	\$
<b>Other significant revenue</b>		
Interest income	32,864	-
	<u>          </u>	<u>          </u>

---

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 3 Operating loss

	2017	2016
	\$	\$
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(15,925)	(31,211)
Depreciation of property, plant and equipment	25	-
	<u>          </u>	<u>          </u>

### 4 Auditor's remuneration

	2017	2016
	\$	\$
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	4,052	27,494
	<u>          </u>	<u>          </u>

### 5 Employees

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

	2017	2016
	Number	Number
	1	3
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2017	2016
	\$	\$
Wages and salaries	35,742	135,425
	<u>          </u>	<u>          </u>

### 6 Directors' remuneration

	2017	2016
	\$	\$
Remuneration for qualifying services	35,742	88,719
	<u>          </u>	<u>          </u>

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 7 Investment income

	2017	2016
	\$	\$
<b>Interest income</b>		
Bank deposits	64	-
Investments held for trading	32,800	-
	<u>32,864</u>	<u>-</u>
Total interest revenue	<u>32,864</u>	<u>-</u>

Total interest income for financial assets that are not held at fair value through statement of comprehensive income is \$64 (2016 - \$-).

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

	2017	2016
	\$	\$
Investments held for trading	32,800	-
	<u>32,800</u>	<u>-</u>

### 8 Finance costs

	2017	2016
	\$	\$
Interest on bank overdrafts and loans	-	884,813
	<u>-</u>	<u>884,813</u>

### 9 Other gains and losses

	2017	2016
	\$	\$
Change in value of financial assets held for trading	-	1,078,493
	<u>-</u>	<u>1,078,493</u>

### 10 Property, plant and equipment

	Computers
	\$
<b>Cost</b>	
Additions	99
At 31 December 2017	<u>99</u>
<b>Accumulated depreciation and impairment</b>	
Charge for the year	25
At 31 December 2017	<u>25</u>

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 10 Property, plant and equipment

	<b>Computers</b>
	<b>\$</b>
<b>Carrying amount</b>	
At 31 December 2017	74

### 11 Investments

	<b>Current</b>		<b>Non-current</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Available for sale investments at fair value	567,110	5,166	-	-

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.

### 12 Trade and other receivables

	<b>Current</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Other receivables	139,050	-

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

### 13 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.

# FORBES VENTURES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 14 Trade and other payables

	Current 2017	2016
	\$	\$
Trade payables	46,530	107,636
Accruals	-	28,777
Social security and other taxation	127,935	127,935
Other payables	161,822	-
	<u>336,287</u>	<u>264,348</u>

### 15 Share capital

	2017	2016
	\$	\$
<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	-
83,333,333 ordinary shares paid for by an investment of 0.386445c each	322,037	-
103,000,000 ordinary shares paid for by an investment of 0.135c each	139,050	-
	<u>98,166,292</u>	<u>97,448,070</u>

During the year the company issued 40,000,000 new ordinary shares at a price of 0.642c per share to Gravity Investments Limited in exchange for 4,545 ordinary shares in Civilised Investments Limited.

During the year the company issued 83,333,333 new ordinary shares at a price of 0.386c per share to Gravity Investment Group Limited as an exchange for an investment made by Forbes Ventures in K&C REIT Plc.

During the year the company issued 103,000,000 new ordinary shares at a price of 0.00135c per share to Belvedere Investments Limited as an exchange for loan notes issued to Forbes Ventures in Belvedere Investments Limited.

### 16 Capital redemption reserve

	2017	2016
	\$	\$
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 2017

### 17 Retained earnings

	2017 \$	2016 \$
At the beginning of the year	(98,013,298)	(97,405,423)
Loss for the year	(89,094)	(607,875)
	<u>                    </u>	<u>                    </u>
At the end of the year	<u>(98,102,392)</u>	<u>(98,013,298)</u>

### 18 Capital risk management

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

### 19 Related party transactions

No guarantees have been given or received.

At the year end the company owed Belvedere Capital Limited, the largest shareholder, £161,824 (2016: £nil). The loan is interest free and unsecured.

### 20 Controlling party

There is no ultimate controlling party.

### 21 Cash generated from operations

	2017 \$	2016 \$
Loss for the year after tax	(89,094)	(607,875)
<b>Adjustments for:</b>		
Finance costs	-	(114,864)
Investment income	(32,864)	114,937
Depreciation and impairment of property, plant and equipment	25	-
Other gains and losses	-	(206,207)
<b>Movements in working capital:</b>		
Increase/(decrease) in trade and other payables	71,939	(402,399)
	<u>                    </u>	<u>                    </u>
<b>Cash absorbed by operations</b>	<u>(49,994)</u>	<u>(1,216,408)</u>