

Hambro Perks Ltd

Financial Statements

Year Ended

31 December 2018

Company Number 08760647



Hambro Perks Ltd
Registered number: 08760647

Consolidated statement of financial position
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5	1	10,000
Tangible assets	6	175,010	245,322
Investments	7	25,432,814	14,272,304
		<u>25,607,825</u>	<u>14,527,626</u>
Current assets			
Debtors	8	2,154,973	2,249,253
Current asset investments	9	3,000,000	3,000,000
Cash at bank and in hand		5,455,798	6,875,120
		<u>10,610,771</u>	<u>12,124,373</u>
Creditors: amounts falling due within one year	10	(1,009,692)	(1,178,161)
Net current assets		<u>9,601,079</u>	<u>10,946,212</u>
Total assets less current liabilities		<u>35,208,904</u>	<u>25,473,838</u>
Provisions for liabilities			
Deferred taxation	12	(580,713)	(286,129)
Other provisions	13	(60,033)	-
Net assets		<u><u>34,568,158</u></u>	<u><u>25,187,709</u></u>
Capital and reserves			
Share capital	14	33,807	26,199
Share premium account	15	33,953,498	24,264,616
Capital redemption reserve	15	87	-
Other reserves	15	1,099,996	-
(Accumulated losses)/retained earnings	15	(512,843)	485,239
Equity attributable to owners of the parent company		<u>34,574,545</u>	<u>24,776,054</u>
Non-controlling interests		(6,387)	411,655
Shareholders' funds		<u><u>34,568,158</u></u>	<u><u>25,187,709</u></u>

Hambro Perks Ltd
Registered number: 08760647

Consolidated statement of financial position (continued)
As at 31 December 2018

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 consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 25/09/2019 by Robert Hawkins (senior statutory auditor) on behalf of PricewaterhouseCoopers LLP.

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



.....
D Perks
Director

Date: 25/09/19

The notes on pages 5 to 31 form part of these financial statements.

Hambro Perks Ltd
Registered number: 08760647

Company statement of financial position
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5	1	-
Investments	7	23,185,981	13,930,149
		<u>23,185,982</u>	<u>13,930,149</u>
Current assets			
Debtors	8	7,441,537	4,642,010
Current asset investments	9	3,000,000	3,000,000
Cash at bank and in hand		5,104,094	6,234,697
		<u>15,545,631</u>	<u>13,876,707</u>
Creditors: amounts falling due within one year	10	(404,576)	(394,677)
Net current assets		<u>15,141,055</u>	<u>13,482,030</u>
Total assets less current liabilities		<u>38,327,037</u>	<u>27,412,179</u>
Provisions for liabilities			
Deferred taxation	12	(409,182)	(427,385)
		<u>(409,182)</u>	<u>(427,385)</u>
Net assets		<u>37,917,855</u>	<u>26,984,794</u>
Capital and reserves			
Share capital	14	33,807	26,199
Share premium account	15	33,953,498	24,264,616
Capital redemption reserve	15	87	-
Other reserves	15	1,099,996	-
Retained earnings		2,830,467	2,693,979
		<u>37,917,855</u>	<u>26,984,794</u>

Hambro Perks Ltd
Registered number: 08760647

Company statement of financial position (continued)
As at 31 December 2018

The company's 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 company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £166,816 (2017 - £1,940,891 profit).

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

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 25/09/2019 by Robert Hawkins (senior statutory auditor) on behalf of PricewaterhouseCoopers LLP.

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


.....
D Perks
Director

Date: 25/09/19

The notes on pages 5 to 31 form part of these financial statements.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

1. General information

Hambro Perks Ltd (the "Company") is a private company limited by shares and is incorporated in England and Wales under the Companies Act 2006. The address of its registered office is 8 Greencoat Place, London, England, SW1P 1PL. The nature of the company's operations and principal activity are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

Parent company disclosure exemptions

In preparing the financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The financial statements do not include a consolidated cash flow statement because the group, as a small group, is exempt from the requirement to prepare such a statement under Section 1A of Financial Reporting Standard 102.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

2. Accounting policies (continued)

2.3 Investments

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in associates

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the company financial statements, investments in associates are carried at cost less accumulated impairment.

In the consolidated financial statements, interests in associated undertakings are accounted for using the equity method of accounting, except where they are held as part of an investment portfolio where the value of the investment to the company is through fair value as part of a basket of investments rather than as a media through which the company carries out business.

Under the equity method, an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate. The consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the consolidated statement of financial position, the interests in associated undertakings are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

Where investments in associated undertakings are held as part of an investment portfolio, the equity method of accounting is not applied. Instead, where market value can be reliably measured, the investments are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

During the years ended 31 December 2017 and 31 December 2018, the directors consider that all of the group's investments in associates are held as part of an investment portfolio, with the exception of one which is equity accounted for.

Other fixed asset investments

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the group and company continue in operational existence for a period of at least 12 months from the date the statement of financial position is signed.

During 2018 the group has been raising additional funding, and the directors have reviewed the forecast for the group for a period beyond one year from the date of approval of these financial statements. From this review the directors believe that there will be sufficient cash reserves to meet daily obligations throughout this period.

Based on this review the directors have concluded that the group and company will have sufficient cash reserves to meet daily obligations and external liabilities as they fall due and that the going concern basis of preparation is therefore appropriate.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover can be measured reliably;
- it is probable that the Group 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.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the fair value of the group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

All other intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Trademarks	-	20 % straight line
Website development	-	33 % straight line

Amortisation only begins to be charged once an asset is ready for use. Capitalised costs in respect of website development were not amortised as the website was sold as part of the disposal of a subsidiary.

2.7 Tangible assets

Tangible 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:

Leasehold improvements	-	67% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	33% straight line
Computer equipment	-	33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

2. Accounting policies (continued)

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 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.

2.11 Financial instruments

The group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, cash at bank, loans to and from related parties and accrued expenses.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

2. Accounting policies (continued)

2.11 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including put and call options to sell or buy shares in unlisted investments, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 Creditors

Short term creditors are measured at the transaction price.

2.13 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 consolidated statement of comprehensive income, within administrative expenses.

2.14 Share based payments

In accordance with FRS 102 the group reflects the economic cost of awarding shares and options to employees by recording an expense in the statement of comprehensive income equal to the fair value of the benefit awarded, fair value being determined by reference to option pricing models. The expense is recognised in the statement of comprehensive income over the vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received.

the calculation of the fair values of the share options issued by the company has been based upon the Black-Scholes pricing model together with a number of subjective assumptions.

Expense in relation to share based payments is recognised on a straight line basis over the vesting period.

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Notes to the financial statements For the year ended 31 December 2018

2. Accounting policies (continued)

2.15 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.16 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.17 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Provision for impairment of the carrying value of trade debtors and loans due from related parties is made based on management's estimate of the prospect of recovering the amounts due, which includes considering the solvency of the counterparty and its future outlook.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 6)**
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Investments (see note 7)**
The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments at fair value through profit and loss. The Group follows the International Private Equity and Venture Capital Valuation Guidelines, applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.
- The group calculates the cost of certain share-based payments by reference to the fair value of the equity instruments granted. The fair value of the instruments granted is subject to management estimate and any changes to these estimates may have a significant effect on the share-based payment charge to the income statement

4. Employees

The average monthly number of group employees, including the directors, during the year was 34 (2017 - 34).

The average monthly number of company employees, including the directors, during the year was 1 (2017 - 1).

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

5. Intangible assets

Group

	Trademarks £	Website development £	Total £
Cost			
At 1 January 2018	-	10,000	10,000
Additions	1	10,000	10,001
On disposal of subsidiaries	-	(20,000)	(20,000)
At 31 December 2018	1	-	1
Accumulated amortisation			
At 1 January and 31 December 2018	-	-	-
Net book value			
At 31 December 2018	1	-	1
At 31 December 2017	-	10,000	10,000

The fully amortised goodwill presented in the 2017 group accounts was disposed of on disposal of GoTo Digital Marketing Limited as a subsidiary.

Company

The trademark has been capitalised in Hambro Perks Limited, the parent company.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

6. Tangible assets

Group

	Leasehold property improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2018	178,993	125,255	2,601	45,644	352,493
Additions	27,376	5,106	-	33,152	65,634
Disposals	-	(795)	-	(13,607)	(14,402)
Disposal of subsidiary	-	-	-	(4,819)	(4,819)
At 31 December 2018	206,369	129,566	2,601	60,370	398,906
Accumulated depreciation					
At 1 January 2018	59,200	30,934	1,261	15,776	107,171
Charge for the year	77,672	30,243	766	16,214	124,895
Disposals	-	(291)	-	(7,182)	(7,473)
Disposal of subsidiary	-	-	-	(697)	(697)
At 31 December 2018	136,872	60,886	2,027	24,111	223,896
Net book value					
At 31 December 2018	69,497	68,680	574	36,259	175,010
At 31 December 2017	119,793	94,321	1,340	29,868	245,322

The company held no tangible fixed assets at the current year or prior year end.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

7. Investments

Group

	Investments in associates £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2018	860,638	13,411,666	14,272,304
Additions	623,735	6,309,405	6,933,140
On disposal of subsidiaries	(108,893)	(397,826)	(506,719)
Revaluations	3,128,435	1,605,654	4,734,089
Transfer between classes	(719,911)	719,911	-
At 31 December 2018	<u>3,784,004</u>	<u>21,648,810</u>	<u>25,432,814</u>
Net book value			
At 31 December 2018	<u>3,784,004</u>	<u>21,648,810</u>	<u>25,432,814</u>
At 31 December 2017	<u>860,638</u>	<u>13,411,666</u>	<u>14,272,304</u>

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

7. Investments (continued)

Group

	Investments in associates £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2017	420,000	3,949,468	4,369,468
Additions	400,303	5,928,397	6,328,700
Disposals	(175)	-	(175)
Revaluations	40,510	3,533,801	3,574,311
At 31 December 2017	860,638	13,411,666	14,272,304
Net book value			
At 31 December 2017	860,638	13,411,666	14,272,304
At 31 December 2016	420,000	3,949,468	4,369,468

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Notes to the financial statements For the year ended 31 December 2018

7. Investments (continued)

Company

	Investments in subsidiary companies £	Investments in associates £	Unlisted investments £	Total £
Cost or valuation				
At 1 January 2018	627,253	506,527	13,013,841	14,147,621
Additions	1,639,353	304,000	5,299,405	7,242,758
Disposals	(10,086)	-	-	(10,086)
Revaluations	-	-	2,118,344	2,118,344
Transfer - subsidiary to associate	(337,856)	337,856	-	-
Transfer - associate to unlisted investment	-	(207,221)	207,221	-
At 31 December 2018	1,918,664	941,162	20,638,811	23,498,637
Impairment				
At 1 January 2018	-	217,472	-	217,472
Charge for the year	13,351	81,833	-	95,184
At 31 December 2018	13,351	299,305	-	312,656
Net book value				
At 31 December 2018	1,905,313	641,857	20,638,811	23,185,981
At 31 December 2017	627,253	289,055	13,013,841	13,930,149

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

7. Investments (continued)

Company

	Investments in subsidiary companies £	Investments in associates £	Unlisted investments £	Total £
Cost or valuation				
At 1 January 2017	38,258	254,678	3,949,468	4,242,404
Additions	589,395	314,731	5,726,147	6,630,273
Disposals	(400)	(62,882)	(50,000)	(113,282)
Revaluations	-	-	3,388,226	3,388,226
At 31 December 2017	627,253	506,527	13,013,841	14,147,621
Impairment				
At 1 January 2017	-	50,000	-	50,000
Charge for the year	-	167,472	-	167,472
At 31 December 2017	-	217,472	-	217,472
Net book value				
At 31 December 2017	627,253	289,055	13,013,841	13,930,149
At 31 December 2016	38,258	204,678	3,949,468	4,192,404

Details of the principal subsidiaries and associates can be found under note number 20.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

8. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Due after more than one year				
Other debtors	418,302	107,453	310,849	-
	<u>418,302</u>	<u>107,453</u>	<u>310,849</u>	<u>-</u>
Due within one year				
Trade debtors	270,166	595,514	3,101	9,849
Amounts owed by group undertakings	-	-	6,117,666	3,330,264
Amounts owed by joint ventures and associated undertakings	160,831	-	152,831	50,000
Other debtors	695,314	726,124	531,196	661,879
Prepayments and accrued income	290,845	230,144	6,379	-
Call options on unlisted investments	319,515	590,018	319,515	590,018
	<u>2,154,973</u>	<u>2,249,253</u>	<u>7,441,537</u>	<u>4,642,010</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

9. Current asset investments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Fixed term deposit	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

10. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	242,686	220,568	11,597	67,247
Amounts owed to group undertakings	-	-	52,500	80,000
Amounts owed to associates	14,000	-	4,000	-
Corporation tax	-	152	-	-
Other taxation and social security	208,430	255,911	3,126	1,686
Other creditors	29,020	181,559	4	59,112
Accruals and deferred income	311,216	437,801	129,009	104,462
Put options on unlisted investments	204,340	82,170	204,340	82,170
	<u>1,009,692</u>	<u>1,178,161</u>	<u>404,576</u>	<u>394,677</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

11. Financial instruments

	Group 2018 £	Group 2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	25,732,329	14,862,322
Financial assets that are debt instruments measured at amortised cost	7,079,150	11,351,375
	<u>32,811,479</u>	<u>26,213,697</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(596,922)	(741,189)
Financial liabilities measured at fair value through profit or loss	(204,340)	(82,170)
	<u>(801,262)</u>	<u>(823,359)</u>

Financial assets measured at fair value through profit or loss comprise holdings in investments and call options over investments.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors, cash at bank and accrued income.

Financial liabilities measured at amortised cost comprise trade and other creditors and accrued expenses.

Financial liabilities measured at fair value through profit or loss comprise put options held over unlisted investments held by the group.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

12. Deferred taxation

Group

	2018 £	2017 £
At beginning of year	(286,129)	-
Credited/(charged) to income statement	(294,584)	(286,080)
Arising on business combinations	-	(49)
At end of year	(580,713)	(286,129)

Company

	2018 £	2017 £
At beginning of year	(427,385)	-
Credited/(charged) to income statement	18,203	(427,385)
At end of year	(409,182)	(427,385)

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Accelerated capital allowances	(21,946)	-	-	-
Tax losses	906,871	443,617	510,711	214,149
Short term timing differences – Trading	43	28,839	43	600
Fixed asset timing differences	(1,465,681)	(671,428)	(919,936)	(642,134)
Deferred tax on investments	-	(87,157)	-	-
	(580,713)	(286,129)	(409,182)	(427,385)

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

13. Other provisions

Group

	Provision in respect of investments £
At 1 January 2018	-
Charged to profit or loss	60,033
At 31 December 2018	60,033

The provision has been recognised in the current year to reflect the net liabilities of the equity accounted associate.

14. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
Nil (2017 - 748,482) A ordinary shares of £0.001 (2017 - £0.0001) each	-	75
Nil (2017 - 1,792,666) B ordinary shares of £0.00001 each	-	18
Nil (2017 - 19,616,239) C ordinary shares of £0.001 each	-	19,616
5,000,000 Founder shares of £0.001 each	5,000	5,000
1,402,223 (2017 - 1,489,524) G shares of £0.001 each	1,402	1,490
27,404,566 Ordinary shares of £0.001 each	27,405	-
	33,807	26,199

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

14. Share capital (continued)

On 5 July 2018, the company issued 6,391,518 A, 177,473,934 B and 34,482 C shares at £0.0001 (A and C shares) and £0.00001 (B shares).

On the same date, the company consolidated the shareholdings of the A, B and C shares into one class of shares, the Ordinary shares. The nominal value of the A, B and C shares at the point of consolidation was £714, £1,793 and £19,651 respectively. After the consolidation, there were no A, B and C shares in issue, which have been replaced by 22,157,387 Ordinary shares with a nominal value of £22,157 (£0.001 each). The consolidation of the A, B and C shares therefore had no effect on the nominal value of shares in issue at this date.

On 23 October 2018 the company issued 3,811,011 Ordinary shares at £1.88 each for a total consideration of £7,164,701.

On 21 December 2018 the company issued a further 1,436,168 Ordinary shares at £1.88 each for a total consideration of £2,699,996.

On 7 December 2018 the company repurchased 87,301 G shares with a nominal value of £0.001 per share which are now disclosed in the capital redemption reserve. These shares are held in treasury and have not been cancelled.

The Founder shares are entitled to five votes per share and carry full dividend entitlement.

The G shares carry no rights to voting or dividends but are entitled to preferential payment in the event that the company is wound up.

The Ordinary shares are each entitled to one vote per share and full dividend entitlement.

The A and C ordinary shares were each entitled to one vote per share and carried full dividend entitlement and the B shares carried the same rights to voting and dividends as the G shares.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

15. Reserves

The company and group's capital and reserves are as follows:

Share capital

Share capital represents the nominal value of the shares issued.

Share premium account

Share premium account represents the amount by which the consideration received by the company for shares issued exceeds its nominal value.

Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

Other reserves

Other reserves represent Ordinary Shares to be issued to investors.

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company.

16. Discontinued operations

During the year, the group lost its control in two entities due to a dilution of interest that were formerly subsidiaries. HP Insurtech Gateway Limited and GoTo Digital Marketing are now recognised as associates due to a dilution in interest effective 21 March 2018.

£

Net assets disposed of:

Tangible fixed assets	4,122
Intangible fixed assets	20,000
Fixed asset investments	506,719
Debtors	74,046
Cash	297,356
Creditors	(49,992)
Value of non-controlling interest	(392,290)

Total net assets disposed of

459,961

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

17. Related party transactions

The group had the following transactions during the year and outstanding balances at the year end with related parties:

	Relationship	Revenue £	Purchases / cost of services £	Investments/ loans £	Balance owed by / (to) related party at year end £	Bad debts £	
2018							
Dominic Perks	Director of Reporting Entity	-	(16,248)	-	1,217	(51,030)	
Rupert Hambro	Director of Reporting Entity	-	(300)	-	444	-	
Andrew Wyke	Director of Reporting Entity	-	(12,921)	-	2,014	-	
Eric Wilkinson	Director of Reporting Entity	-	(3,789)	-	317	-	
George Davies	Director of Reporting Entity	-	(18,210)	-	9,093	-	
HP Advisory LLP	Subsidiary of reporting entity	-	-	505,301	-	-	
HP Digital Media Limited	Subsidiary of reporting entity	-	(40)	-	-	-	
Edvinca Limited	Subsidiary of reporting entity	-	(294,400)	-	-	-	
GoTo Digital Marketing Limited	Associate of Group Company	139,354	(10,778)	100,000	97,419	-	
HP Ventures 01 Limited	Associate of Group Company	5,029	-	16,831	(1,254)	-	
HP Insurtech Gateway Limited	Associate of Group Company	188,284	-	299,999	2,793	-	
Kraydel Limited	Significant Influence by Director of Reporting Entity and % holding	5,000	-	300,052	6,000	-	
Laundrapp Limited	Significant Influence by Director of Reporting Entity and % holding	10,849	-	567,144	-	-	
Online Auto Sales Limited	Significant influence by Director of Reporting Entity and % holding	39,516	-	203,452	35,362	-	

Hambro Perks Ltd

Notes to the financial statements
For the year ended 31 December 2018

17. Related party transactions (continued)

	Relationship	Revenue £	Purchases / cost of services £	Investments/ loans £	Balance owed by / (to) related party at year end £	Bad debts £
Bubble Student Limited	Significant Influence by Director of Reporting Entity and % holding	12,281	-	50,072	-	-
In My Bag Limited	Significant Influence by Director of Reporting Entity and % holding	11,630	(973)	-	-	-
Storienteer Ltd	Significant Influence by Director of Reporting Entity and % holding	62	-	-	78	-
Takumi International Ltd	Significant Influence by Director of Reporting Entity and % holding	12,000	-	400,001	9,000	-
Tempfair Ltd	Significant Influence by Director of Reporting Entity and % holding	103,628	(2,485)	-	3,254	-
Tempfair Services Limited	Significant Influence by Director of Reporting Entity and % holding	2,200	(5,242)	-	240	-
X by Z Limited	Control by Director of Reporting Entity	-	-	-	13	-
Design Talent Ltd	Control by Director of Reporting Entity	16,350	(6,604)	-	-	-
J O Hambro Ltd	Control by Director of Reporting Entity	8,019	-	(50,008)	751	-
Park Hombres Ltd	Control by Director of Reporting Entity	1,773	(18,832)	-	12	-
Talent Enterprises Ltd	Control by Director of Reporting Entity	9,348	(20,675)	-	3,471	-
Equity roles Limited	Control by Director of Reporting Entity	-	(13)	-	-	-
Zenaura Inc	Control by Director of Reporting Entity	12,107	-	88,857	41	-

Hambro Perks Ltd

Notes to the financial statements
For the year ended 31 December 2018

17. Related party transactions (continued)

	Relationship	Revenue £	Purchases / cost of services £	Investments £	Balance owed by / (to) related party at year end £	Bad debts £
2017						
Rupert Hambro	Director of Reporting Entity	-	-	-	318	-
Dominic Perks	Director of Reporting Entity	-	-	-	(192)	-
Andrew Wyke	Director of Reporting Entity	-	-	-	(480)	-
Eric Wilkinson	Former director of reporting entity	-	-	-	(678)	-
George Davies	Former key management, now director of reporting entity	-	-	-	(90,909)	-
Biosupplements Limited	Significant influence by Director of Reporting Entity	8,700	34,043	-	-	34,020
Bubble Student Limited	Significant influence by Director of Reporting Entity and % holding	5,950	-	-	1,400	-
Digital Home Visits Limited	Significant influence by Director of Reporting Entity and % holding	17,121	(14,550)	284,673	27,690	-
In My Bag Limited	Significant influence by Director of Reporting Entity and % holding	37,866	82,089	(72,844)	(49,919)	77,811
Kraydel Limited	Significant Influence by Director of Reporting Entity and % holding	900	-	15,088	1,080	-
Online Auto Sales Limited	Significant influence by Director of Reporting Entity and % holding	105,887	-	349,829	20,045	-
Seenit Digital Limited	Significant influence by Director of Reporting Entity and % holding	14,750	-	99,999	-	-
Laundrapp Limited	Significant Influence by Director of Reporting Entity and % holding	(27,357)	67,172	-	(100,000)	-

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

17. Related party transactions (continued)

	Relationship	Revenue £	Purchases / cost of services £	Investments/ loans £	Balance owed by / (to) related party at year end £	Bad debts £
Sonder News Limited	Significant Influence by Director of Reporting Entity and % holding	44,050	-	164,992	4,599	-
Storienteer Limited	Significant Influence by Director of Reporting Entity and % holding	37	48,250	(50,000)	-	(1,750)
Takumi International Limited	Significant Influence by Director of Reporting Entity and % holding	102,650	-	459,708	(57,711)	-
Tempfair Limited	Significant Influence by Director of Reporting Entity and % holding	61,282	1,575	207,221	4,213	-
The Dots Global Limited	Significant Influence by Director of Reporting Entity and % holding	82,656	-	149,974	99,187	-
Warehousio Limited	Significant Influence by Director of Reporting Entity and % holding	23,921	-	100,000	-	-
Design Talent Limited	Control by Director of Reporting Entity	70,387	64,691	-	(4,243)	51,791
J O Hambro Limited	Control by Director of Reporting Entity	18,990	-	-	903	-
Park Hombres Limited	Control by Director of Reporting Entity	-	20,000	-	(19,987)	-
Talent Enterprises Limited	Control by Director of Reporting Entity	9,688	39,075	-	(1,500)	-
Zenaura Inc	Control by Director of Reporting Entity	-	-	125,758	-	-
Digital Home Visits Technologies Limited	100% owned subsidiary of related party	167,604	-	-	185,593	-
Floodflash Limited	Associate of Group Company	5,637	-	-	1,937	-

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

17. Related party transactions (continued)

Purchases by way of strategic share acquisitions to the value of £255,015 (2017 - £410,397) have been made from a director by the company during the year, of which £203,985 was paid in cash with the balance being settled by the waiver of a debt owed by the director to the group.

During the year the group acquired fixed assets for a value of £27,692 (2017 - £226,226) from Bear Rene LLP, a company controlled by a related party to a director of the reporting entity. The group further purchased services from Bear Rene LLP with a total value of £13,096 during the year (2017 - £50,519), all amounts relate to the office refurbishment. At the year end, the group was owed £80 (2017 - £nil) by Bear Rene LLP.

During the year George Davis, a director of the parent company, purchased fixed assets of £526 (2017 - £nil) on behalf of the group.

Key management personnel include all directors and senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £1,327,499 (2017 - £1,206,458).

The company has taken advantage of the exemption under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

18. Subsequent events

After the year end, a couple of investments with a combined valuation of £326,883, have gone into administration and now have a value of zero.

Subsequent to the reporting date, the company has raised funds of £9,035,308 from new and existing investors.

19. Controlling party

In the opinion of the directors there is not considered to be any one controlling party.

Hambro Perks Ltd

Notes to the financial statements For the year ended 31 December 2018

20. Subsidiary undertakings and associates

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Hambro Perks Services Limited	United Kingdom	Ordinary	100 %	Provision of support and advisory services to fast growth companies.
HP Asset Management Limited	Guernsey	Ordinary	100 %	Fund Manager of the Hambro Perks Growth EIS Fund, a vehicle designed for sophisticated investors seeking to build a portfolio of carefully chosen, fast growth early stage disruptive technology companies.
Hambro Perks Advisory LLP	United Kingdom	Ordinary	99 %	Investment advisory services with a key focus on working with investment funds looking to make direct investments in early stage high growth technology companies.
HP Digital Media Limited	United Kingdom	Ordinary	96 %	Investment in early stage Digital Media businesses and the provision of advisory services to help build them into major companies.
Edvinca Limited	United Kingdom	Ordinary	91 %	Investment in early stage Edtech businesses and the provision of advisory services to help build them into major companies.
HP Ventures 02 Limited	United Kingdom	Ordinary	100 %	Dormant company

Hambro Perks Ltd

Notes to the financial statements
For the year ended 31 December 2018

20. Subsidiary undertakings and associates (continued)

Associates

The following were associate undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
In My Bag Limited	United Kingdom	Ordinary	33.0%	Smart device and data recovery service for mobile professionals.
Storienteer Limited	United Kingdom	Ordinary	20.8%	A location based augmented reality platform.
HP Insurtech Gateway Limited	United Kingdom	Ordinary	39.0 %	Insurance focussed tech and compliance incubator.
GoTo Digital Marketing Limited	United Kingdom	Ordinary	37.0 %	Marketing support and management consultancy services.
HP Ventures 01 Limited	United Kingdom	Ordinary	49.9 %	Dormant company

All subsidiaries and associates share a registered office address with the company, as shown on the company information page, except for HP Asset Management Limited, which has its registered office at Third Floor, La Plaiderie Chambers, La Plaiderie, St Peter Port, Guernsey, GY1 1WG.