
VENTUREPRISE PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018



VENTUREPRISE PLC

COMPANY INFORMATION

Directors	Mr R Gohri
	Mr J Patel
	Mr I Seth
	Mr A Patel
Secretary	Mr Arif Patel
Company number	09123248
Registered office	Floor 2 9 Portland Street Manchester M1 3BE
Auditor	AMS Accountants Corporate Limited Chartered Accountants Statutory Auditor Floor 2 9 Portland Street Manchester M1 3BE
Business address	Unit 3 Petre Court Clayton Business Park Clayton- le- Moors Accrington Lancashire BB5 5HY

VENTUREPRISE PLC

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VENTUREPRISE PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2018

The directors present the strategic report for the year ended 31 May 2018.

Fair review of the business

The company has shown growth in all key areas including income, profit and net assets. The directors applaud the entire team for their fantastic efforts resulting in the company's growth. Other key achievements for the group during the year under review include:

- the launch of the smart motor offering
- the launch of StayWarm boiler installation program

The principal activity of the company's main trading subsidiaries is concentrated in the Home Emergency Sector. The company operates nationally and ensures a high standard of service by directly employing gas safe engineers combined with inhouse call centre operatives. Other key areas of activity include home emergency cover, vehicle tracking applications, boiler installations. The recent drive towards in house tech innovation provide the group a platform to extend further enhancements in the technology sector.

The company has performed strongly in the year ended 31 May 2018. Income has increased from £4,763k to £7,567k (59% increase). Operating profit (after operating expenses) has increased from £487k to £685k (41% increase).

In line with the group strategy the trading subsidiaries have continued to exceed growth expectations.

As at 31 May 2018 the company's cash and cash equivalents were £1,167k (Prior year £895k). There has been significant core cash investment in future technology offerings. Gearing at both year ends was £nil. Net assets as at 31 May 2018 were £455k (Prior year £32k).

The company has continued to increase its staffing resources, including senior appointments and upscaling of the internal support staff.

During the year, the company implemented an enhanced governance structure including the appointment within the group of additional non-executive directors and consultants. This is in preparation of a move to having a fully regulated insurance backed product portfolio.

The company has continued to develop additional revenue streams and is confident that these products and services will grow in line with expectations.

The company faces the future with confidence in its staff resources, products and services, and with a strong balance sheet. The company extends its thanks and appreciation to all members of the enterprise group and to its key business partners all of whom have made a significant contribution to its success.

VENTUREPRISE PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

Key performance indicators

KPI's for the group are as follows:

Turnover - £7,566,943 (2017 - £4,763,574)

Gross Profit Percentage – 33.10% (2017 – 37.91%)

Operating profit - £685,300 (2017 - £487,537)

EBITDA - £781,768 (2017 - £569,341)

On behalf of the board



Mr J Patel

Director

23 November 2018

VENTUREPRISE PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2018

The directors present their annual report and financial statements for the year ended 31 May 2018.

Principal activities

The principal activities of the group are that of professional services provided to the legal industry, and handling breakdown and service plans in the home heating sector.

Directors

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

Mr R Gohri
Mr J Patel
Mr I Seth
Mr A Patel

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £188,000. The directors do not recommend payment of a further dividend.

Financial instruments

Liquidity risk

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

Interest rate risk

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The group uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Auditor

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

VENTUREPRISE PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

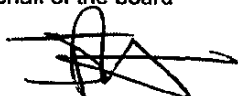
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board



Mr J Patel

Director

23 November 2018

VENTUREPRISE PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VENTUREPRISE PLC

Opinion

We have audited the financial statements of Ventureprise PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2018 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company 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 United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We 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 group's or the parent 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.

VENTUREPRISE PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VENTUREPRISE PLC

Opinions on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent 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.

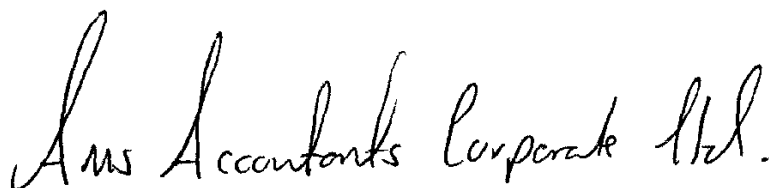
VENTUREPRISE PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VENTUREPRISE PLC

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

23 November 2018

Chartered Accountants
Statutory Auditor

Floor 2
9 Portland Street
Manchester
M1 3BE

VENTUREPRISE PLC

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2018

		2018	2017
	Notes	£	£
Turnover	3	7,566,943	4,763,574
Cost of sales		(5,062,200)	(2,957,732)
Gross profit		2,504,743	1,805,842
Administrative expenses		(1,872,443)	(1,318,305)
Other operating income		53,000	-
Operating profit	4	685,300	487,537
Amounts written off investments		-	(509,578)
Profit/(loss) before taxation		685,300	(22,041)
Taxation	7	(74,759)	(60,863)
Profit/(loss) for the financial year		610,541	(82,905)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

VENTUREPRISE PLC**GROUP STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MAY 2018**

	2018 £	2017 £
Profit/(loss) for the year	610,541	(82,905)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>610,541</u>	<u>(82,905)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

VENTUREPRISE PLC
GROUP BALANCE SHEET
AS AT 31 MAY 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Goodwill	9		595,550		682,704
Other intangible assets	9		220,000		-
Total intangible assets			815,550		682,704
Tangible assets	10		68,904		17,749
Investments	11		20		-
			884,474		700,453
Current assets					
Debtors	15	275,201		221,934	
Cash at bank and in hand		1,167,548		895,115	
		1,442,749		1,117,049	
Creditors: amounts falling due within one year	16	(914,092)		(1,282,247)	
Net current assets/(liabilities)			528,657		(165,198)
Total assets less current liabilities			1,413,131		535,255
Creditors: amounts falling due after more than one year	17		(944,976)		(499,359)
Provisions for liabilities	19		(13,269)		(3,549)
Net assets			454,886		32,347
Capital and reserves					
Called up share capital	21		500,000		500,000
Capital redemption reserve			12,500		12,500
Profit and loss reserves			(57,614)		(480,153)
Total equity			454,886		32,347

The financial statements were approved by the board of directors and authorised for issue on 23 November 2018 and are signed on its behalf by:

Mr J Patel
Director

VENTUREPRISE PLC
COMPANY BALANCE SHEET
AS AT 31 MAY 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	9		220,000		-
Investments	11		845,590		845,570
			<u>1,065,590</u>		<u>845,570</u>
Current assets					
Debtors	15	74,794		177,500	
Cash at bank and in hand		123		-	
		<u>74,917</u>		<u>177,500</u>	
Creditors: amounts falling due within one year	16	(225,020)		(275,100)	
Net current liabilities			<u>(150,103)</u>		<u>(97,600)</u>
Total assets less current liabilities			<u>915,487</u>		<u>747,970</u>
Creditors: amounts falling due after more than one year	17		(185,976)		(437,580)
Net assets			<u>729,511</u>		<u>310,390</u>
Capital and reserves					
Called up share capital	21		500,000		500,000
Capital redemption reserve			12,500		12,500
Profit and loss reserves			<u>217,011</u>		<u>(202,110)</u>
Total equity			<u>729,511</u>		<u>310,390</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £607,121 (2017 - £147,690 profit).

For the financial year ended 31 May 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

VENTUREPRISE PLC

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2018

The financial statements were approved by the board of directors and authorised for issue on 23 November 2018 and are signed on its behalf by:



Mr J Patel
Director

Company Registration No. 09123248

VENTUREPRISE PLC

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2018

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 June 2016		50,000	-	(47,248)	2,752
Year ended 31 May 2017:					
Loss and total comprehensive income for the year		-	-	(82,905)	(82,905)
Issue of share capital	21	462,500	-	-	462,500
Own shares acquired		-	-	(350,000)	(350,000)
Redemption of shares	21	(12,500)	12,500	-	-
Balance at 31 May 2017		500,000	12,500	(480,153)	32,347
Year ended 31 May 2018:					
Profit and total comprehensive income for the year		-	-	610,541	610,541
Dividends	8	-	-	(188,000)	(188,000)
Balance at 31 May 2018		500,000	12,500	(57,614)	454,886

VENTUREPRISE PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2018

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 June 2016		50,000	-	200	50,200
Year ended 31 May 2017:					
Profit and total comprehensive income for the year		-	-	147,690	147,690
Issue of share capital	21	462,500	-	-	462,500
Own shares acquired		-	-	(350,000)	(350,000)
Redemption of shares	21	(12,500)	12,500	-	-
Balance at 31 May 2017		500,000	12,500	(202,110)	310,390
Year ended 31 May 2018:					
Profit and total comprehensive income for the year		-	-	607,121	607,121
Dividends	8	-	-	(188,000)	(188,000)
Balance at 31 May 2018		500,000	12,500	217,011	729,511

VENTUREPRISE PLC

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2018

		2018	2017
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	25	1,014,586	1,619,419
Income taxes paid		(10,402)	-
Net cash inflow from operating activities		1,004,184	1,619,419
Investing activities			
Purchase of intangible assets		(220,000)	-
Purchase of tangible fixed assets		(60,469)	-
Purchase of associates		(20)	-
Proceeds from other investments and loans		-	(100)
Net cash used in investing activities		(280,489)	(100)
Financing activities			
Proceeds from issue of shares		-	462,500
Redemption of shares		-	(12,500)
Purchase of treasury shares		-	(350,000)
Repayment of borrowings		(263,383)	(978,346)
Dividends paid to equity shareholders		(188,000)	-
Net cash used in financing activities		(451,383)	(878,346)
Net increase in cash and cash equivalents		272,312	740,973
Cash and cash equivalents at beginning of year		895,115	154,142
Cash and cash equivalents at end of year		1,167,427	895,115

VENTUREPRISE PLC

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	26	1,068	172,500
Investing activities			
Purchase of intangible assets		(220,000)	-
Proceeds on disposal of subsidiaries		-	736,038
Proceeds on disposal of associates		(20)	-
Proceeds on disposal of fixed asset investments		214,679	(301,810)
Dividends received		394,000	449,500
Net cash generated from investing activities		388,659	883,728
Financing activities			
Proceeds from issue of shares		-	462,500
Purchase of treasury shares		-	(350,000)
Repayment of borrowings		(201,604)	(1,168,728)
Dividends paid to equity shareholders		(188,000)	-
Net cash used in financing activities		(389,604)	(1,056,228)
Net increase in cash and cash equivalents		123	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		123	-

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

Company information

Ventureprise PLC ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Floor 2, 9 Portland Street, Manchester, M1 3BE.

The group consists of Ventureprise PLC and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Ventureprise PLC and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 May 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

1.3 Going concern

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

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Sales, interest and dividend income are recognised on an accruals basis.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.5 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual installments over its estimated useful economic life of 10 years.

1.6 Intangible fixed 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 cost or value of the asset can be measured reliably.

Amortisation 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:

Intellectual property

1.7 Tangible fixed assets

Tangible fixed assets 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:

Fixtures, fittings & equipment

20% / 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 profit and loss account.

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1.9 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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 profit or loss, 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.

1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and 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.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

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 are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, 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 in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group 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 group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 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 stock or fixed 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Subsidiary undertakings exempt from audit

Under Section 479a of the Companies Act 2006 available to subsidiary undertakings, the company provides a guarantee in respect of the below subsidiary undertakings claiming exemption from audit.

Costswise Limited (08371277)

Optima Medical Reports Limited (07097932)

RT8 Legal Limited (06979268)

VP Collections Limited (09385625)

✶ 247 Home Assist Limited (09438900)

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Professional services to legal industry	866,363	681,795
Breakdown plans and warranty cover	6,700,580	4,081,779
	<u>7,566,943</u>	<u>4,763,574</u>

	2018 £	2017 £
Turnover analysed by geographical market		
UK	<u>7,566,943</u>	<u>4,763,574</u>

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	9,314	5,781
Amortisation of intangible assets	<u>87,154</u>	<u>76,023</u>

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	<u>7,500</u>	<u>7,500</u>
For other services		
All other non-audit services	<u>4,000</u>	<u>3,000</u>

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

6 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Directors	4	4	-	-
Administrative	66	49	-	-
	<u>70</u>	<u>53</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	874,521	690,180	-	-
Social security costs	41,917	31,868	-	-
Pension costs	1,720	-	-	-
	<u>918,158</u>	<u>722,048</u>	<u>-</u>	<u>-</u>

7 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	135,671	81,011
Adjustments in respect of prior periods	(70,632)	(18,991)
Total current tax	<u>65,039</u>	<u>62,020</u>
Deferred tax		
Origination and reversal of timing differences	<u>9,720</u>	<u>(1,157)</u>
Total tax charge for the year	<u>74,759</u>	<u>60,863</u>

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

7 Taxation

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit/(loss) before taxation	685,300	(22,042)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	130,207	(4,188)
Tax effect of expenses that are not deductible in determining taxable profit	15,796	28,195
Tax effect of utilisation of tax losses not previously recognised	-	(17,021)
Adjustments in respect of prior years	(70,632)	(18,991)
Permanent capital allowances in excess of depreciation	(11,489)	(1,221)
Deferred tax adjustments in respect of prior years	10,877	(1,157)
Adjustments arising on consolidation	-	75,246
Taxation charge for the year	74,759	60,863

8 Dividends

	2018 £	2017 £
Final paid	188,000	-

9 Intangible fixed assets

Group	Goodwill £	Intellectual property £	Total £
Cost			
At 1 June 2017	871,536	-	871,536
Additions - separately acquired	-	220,000	220,000
At 31 May 2018	871,536	220,000	1,091,536
Amortisation and impairment			
At 1 June 2017	188,832	-	188,832
Amortisation charged for the year	87,154	-	87,154
At 31 May 2018	275,986	-	275,986

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

9 Intangible fixed assets

Carrying amount			
At 31 May 2018	595,550	220,000	815,550
At 31 May 2017	682,704	-	682,704

Company	Intellectual property	
	£	
Cost		
At 1 June 2017		-
Additions - separately acquired		220,000
At 31 May 2018		220,000
Amortisation and impairment		
At 1 June 2017 and 31 May 2018		-
Carrying amount		
At 31 May 2018		220,000
At 31 May 2017		-

10 Tangible fixed assets

Group	Fixtures, fittings & equipment	
	£	
Cost		
At 1 June 2017		39,380
Additions		60,469
At 31 May 2018		99,849
Depreciation and impairment		
At 1 June 2017		21,631
Depreciation charged in the year		9,314
At 31 May 2018		30,945
Carrying amount		
At 31 May 2018		68,904
At 31 May 2017		17,749

The company had no tangible fixed assets at 31 May 2018 or 31 May 2017.

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

11 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	12	-	-	845,570	845,570
Investments in associates	13	20	-	20	-
		<u>20</u>	<u>-</u>	<u>845,590</u>	<u>845,570</u>

Movements in fixed asset investments Group

Shares in group undertakings and participating interests

Cost or valuation

At 1 June 2017

Additions

At 31 May 2018

Carrying amount

At 31 May 2018

At 31 May 2017

£

-

20

20

20

-

Movements in fixed asset investments Company

Shares in group undertakings and participating interests

Cost or valuation

At 1 June 2017

Additions

At 31 May 2018

Carrying amount

At 31 May 2018

At 31 May 2017

£

845,570

20

845,590

845,590

845,570

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

12 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
247 Home Assist Limited	UK	Boiler repairs	Ordinary	100.00	
Costwise Limited	UK	Drafting cost reports	Ordinary	100.00	
Optima Medical Reports Limited	UK	Medical reporting	Ordinary		100.00
RT8 Legal Limited	UK	PI Claims Management	Ordinary	100.00	
VP Collections Limited	UK	Cash Collection Agency	Ordinary	100.00	
VP People Limited	UK	Dormant	Ordinary	100.00	

All subsidiaries have the registered office located at 2nd Floor, 9 Portland Street, Manchester, M1 3AR.

13 Associates

Details of associates at 31 May 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
247 Labs Limited	UK	Dormant	Ordinary shares	20.00	

14 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	166,404	170,880	74,794	177,500
Carrying amount of financial liabilities				
Measured at amortised cost	1,710,812	1,530,277	410,996	712,680

15 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Amounts owed by group undertakings	-	-	74,794	177,500
Other debtors	139,103	221,934	-	-
Prepayments and accrued income	136,098	-	-	-
	275,201	221,934	74,794	177,500

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

16 Creditors: amounts falling due within one year

	Group 2018 £	2017 £	Company 2018 £	2017 £
Trade creditors	96,909	27,284	-	-
Amounts due to group undertakings	-	-	-	100
Amounts due to undertakings in which the group has a participating interest	20	-	20	-
Corporation tax payable	135,671	81,011	-	-
Other taxation and social security	12,585	170,318	-	-
Other creditors	294,094	941,084	225,000	275,000
Accruals and deferred income	374,813	62,550	-	-
	<u>914,092</u>	<u>1,282,247</u>	<u>225,020</u>	<u>275,100</u>

17 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Other borrowings	18	160,976	424,359	160,976	362,580
Other creditors		784,000	75,000	25,000	75,000
		<u>944,976</u>	<u>499,359</u>	<u>185,976</u>	<u>437,580</u>

18 Loans and overdrafts

	Group 2018 £	2017 £	Company 2018 £	2017 £
Other loans	<u>160,976</u>	<u>424,359</u>	<u>160,976</u>	<u>362,580</u>
Payable after one year	<u>160,976</u>	<u>424,359</u>	<u>160,976</u>	<u>362,580</u>

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
Group		
Accelerated capital allowances	13,269	3,549

The company has no deferred tax assets or liabilities.

There were no deferred tax movements in the year.

20 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	1,720	-

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Share capital

	Group and company 2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
500,000 Ordinary of £1 each	500,000	500,000

22 Related party transactions

The Group has taken advantage of FRS 102, section 33.1A available for transactions with wholly owned subsidiaries, and has chosen not to disclose related party transactions within the group.

VENTUREPRISE PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

23 Directors' transactions

Dividends totalling £188,000 (2017 - £0) were paid in the year in respect of shares held by the company's directors.

At the year end, a balance of £160,976 (2017: £424,259) was due to the directors.

The above balance is repayable in one year and one day, which is reviewed on an annual basis. No interest was charged on the outstanding balance during the year.

24 Controlling party

No single individual has ultimate control by virtue of their shareholdings in the company.

25 Cash generated from group operations

	2018 £	2017 £
Profit/(loss) for the year after tax	610,541	(82,905)
Adjustments for:		
Taxation charged	74,759	60,863
Amortisation and impairment of intangible assets	87,154	76,023
Depreciation and impairment of tangible fixed assets	9,314	5,781
(Gain)/loss on sale of investments	-	502,075
Amounts written off investments	-	7,503
Movements in working capital:		
(Increase)/decrease in debtors	(11,116)	906,994
Increase in creditors	243,934	143,085
Cash generated from operations	1,014,586	1,619,419

25 Cash generated from operations - company

	2018 £	2017 £
Profit for the year after tax	607,121	147,690
Adjustments for:		
Investment income	(394,000)	(449,500)
(Gain)/loss on sale of investments	-	301,810
Amounts written off investments	(214,679)	-
Movements in working capital:		
Decrease/(increase) in debtors	102,706	(177,500)
(Decrease)/increase in creditors	(100,080)	350,000
Cash generated from operations	1,068	172,500