

**DBW MANAGERS LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 March 2020**



**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31  
MARCH 2020**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

G Thorley  
M Owen  
N Maguinness  
D Staziker  
R Hunter (appointed 21 August 2019)

**SECRETARY**

J Oates

**REGISTERED OFFICE**

Unit J,  
Yale Business Village  
Ellice Way  
Wrexham,  
LL13 7YL

**BANKERS**

Barclays Bank Plc  
PO Box 69  
Queen Street  
Cardiff  
CF10 1SG

**AUDITOR**

Deloitte LLP  
Statutory Auditor  
Cardiff  
United Kingdom

## **DIRECTORS' REPORT**

The directors present their Annual Report and the audited Financial Statements for the year ended 31 March 2020.

This directors' report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption.

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The Company will act as an intermediate holding company for all the companies in the Group that operate as fund managers. Accordingly, the Company issued shares to the Development Bank of Wales plc as consideration for the purchase of these Group company shares. The Company will act as a conduit between the Development Bank of Wales plc and the fund management companies. A list of the subsidiary companies can be found in note 7.

### **GOING CONCERN**

The company operates on a breakeven basis with any dividend income received from its subsidiaries recharged to its parent company, DBW plc. The directors concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months from the date of signing this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### **COVID-19**

Prior to the year end in March 2020 significant economic and social disruption has arisen from the Covid-19 pandemic.

The Company continues to work with its stakeholders in order to minimise any economic disruption that Covid-19 might occasion. The Company believes that its activities are secure and it is not anticipated that the impact of the pandemic is likely to be significant or materially increase during the next 12 months.

### **BREXIT**

On the 31st January 2020 the UK ceased to be a member of the EU and entered into an 11 month transition period with the EU while the future trading relationship is negotiated. As a result there remains uncertainty in the UK and Europe in relation to Brexit.

The Company continues to work with its stakeholders in order to minimise any economic disruption that the process might occasion. The Company believes that its activities are secure and it is not anticipated that the impact of Brexit is likely to be significant or materially increase during the next 12 months.

### **DIRECTORS**

The directors of the Company, who served throughout the financial year and subsequently to the date of this report unless stated otherwise, are as shown on page 1.

### **DIRECTORS' INDEMNITIES**

The company has made qualifying third party indemnity provisions for the benefit of all directors. These were in force during the financial year and remained in force at the date of approval of the financial statements.

### **POLITICAL DONATIONS**

The company made no political donations during 2020 (2019: nil)

### **SUBSEQUENT EVENTS**

There were no subsequent events to report.

## **DIRECTORS' REPORT**

### **DIVIDENDS**

During the year the directors declared a dividend of £8.38 per share which amounted to £1,299,000. Subsequent to 31 March 2020 the directors became aware of inaccuracies in the interim accounts used to declare this dividend meaning that it exceeded profits available for distribution at the time it was declared, and the dividend payment was made otherwise than in accordance with the Companies Act 2006.

The portion of the dividend declared in excess of profits available for distribution of £27,902 has subsequently been repaid by the Company's shareholder and is shown as an amount receivable in these financial statements. The dividend declared has therefore been reduced to £8.20 per share which amounts to £1,271,098 (2019 - £6.45 per share, £999,827).

### **AUDITOR**

In the case of each of the persons who are directors of the Company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Group has a policy of tendering the external audit every five years. The last time the audit was tendered was in 2016 when the incumbents Deloitte LLP were reappointed. As a result of the ongoing Covid-19 pandemic, the Group has taken the decision to extend the current external audit contract for a further year.

Approved by the Board of Directors and signed on behalf of the Board,



J Oates

Company Secretary

## **STRATEGIC REPORT**

### **BUSINESS MODEL**

The company operates as an intermediate holding company for the DBW Group. It is a wholly-owned subsidiary of Development Bank of Wales plc and owns the share capital of group subsidiaries that operate as fund managers and subsidiaries that act as either general or limited partners in funds which include third party funding.

The Company receives returns from its investments by way of dividends from its subsidiaries, which will depend on their performance and profitability. From time to time, the Company pays dividends to its parent company.

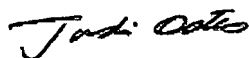
### **PRINCIPAL RISKS AND UNCERTAINTIES**

The key risks faced by the company are in relation to the uncertainty of the performance of its subsidiaries. For more details on these risks and how they are managed, please refer to pages 67-71 of the 2020 Development Bank of Wales Group financial statements. See note 11 for further information on where copies of the financial statements can be obtained.

### **ANNUAL RESULTS**

For the year ended 31 March 2020, the Company's profit before tax was £1,271,860 (2019: £1,000,000), which included dividends received of £1,300,000 (2019: £1,000,000).

Approved by the Board of Directors and signed on behalf of the Board,



J Oates

Company Secretary

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DBW MANAGERS LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

In our opinion the financial statements of DBW Managers Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

**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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

**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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBW MANAGERS LIMITED**

### **Other information (continued)**

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 respect of these matters.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

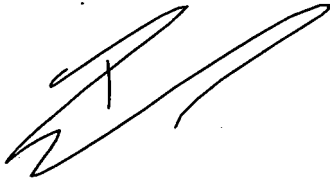
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DBW MANAGERS LIMITED**

**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.

A handwritten signature in black ink, appearing to be 'D. Rozier', written over a horizontal line.

David Rozier (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Cardiff, United Kingdom

31 March 2021

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 March 2020**

	Note	2020 £	2019 £
<b>TURNOVER</b>		-	-
Other administrative expenses	3	(28,140)	-
<b>OPERATING LOSS</b>		(28,140)	-
Other operating income	5	1,300,000	1,000,000
<b>PROFIT BEFORE TAXATION</b>		1,271,860	1,000,000
Tax on profit	6	-	-
<b>PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE OWNER OF THE COMPANY</b>		<u>1,271,860</u>	<u>1,000,000</u>

All activities derive from continuing operations.

There have been no recognised gains for the current or prior financial year other than as stated in the profit and loss account. Accordingly, no separate Statement of Comprehensive Income is presented.

**BALANCE SHEET**  
**As at 31 March 2020**

		2020	Restated*
	Note	£	2019 £
<b>NON CURRENT ASSETS</b>			
Investments	7	19,820,758	19,820,758
		<u>19,820,758</u>	<u>19,820,758</u>
<b>CURRENT ASSETS</b>			
Trade and Other Receivables	8	27,903	1
Cash at bank and in hand		1,173	173
		<u>29,076</u>	<u>174</u>
<b>CURRENT LIABILITIES</b>	9	<u>(28,140)</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>936</u>	<u>174</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS</b>		<u><u>19,821,694</u></u>	<u><u>19,820,932</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	155,012	155,012
Public Equity		19,665,747	19,665,747
Profit and loss account		935	173
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u><u>19,821,694</u></u>	<u><u>19,820,932</u></u>

\*Certain amounts shown here do not correspond to the 2019 financial statements and reflect adjustments detailed in notes 1 and 12.

The financial statements of DBW Managers Limited, registered number 10964943, were approved by the Board of Directors and authorised for issue on 31 March 2021.

Signed on behalf of the Board of Directors



D Staziker  
Director

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 March 2020**

	<b>Called up share capital £</b>	<b>Public Equity £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>Balance at 1 April 2018 as reported</b>	155,012	-	-	155,012
Restatement – Note 1	-	19,665,747	-	19,665,747
<b>Balance at 1 April 2018 restated</b>	155,012	19,665,747	-	19,820,759
Total comprehensive income for the year	-	-	1,000,000	1,000,000
Dividend paid of £6.45 per share	-	-	(999,827)	(999,827)
<b>Balance at 31 March 2019</b>	155,012	19,665,747	173	19,820,932
Total comprehensive income for the year	-	-	1,271,860	1,271,860
Dividend paid of £8.20 per share	-	-	(1,271,098)	(1,271,098)
<b>Balance at 31 March 2020</b>	155,012	19,665,747	935	19,821,694

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2020****1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have been applied consistently throughout the current and prior financial year.

**Basis of accounting**

DBW Managers Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private Company limited by shares and is registered in England & Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 2.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) '*Reduced Disclosure Framework*' as issued by the Financial Reporting Council.

The financial statements are presented in Sterling (£). This is the functional currency of the entity.

The financial statements have been prepared on the historical cost basis and on a going concern basis as discussed in the Director's report on page 2. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group financial statements of Development Bank of Wales plc. Details of the parent in whose consolidated financial statements the company is included are shown in note 11 to the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, presentation of a statement of cash flows, standards not yet effective, financial instruments and related party transactions. Where required, equivalent disclosures are given in the Group financial statements of Development Bank of Wales plc. The Group financial statements of Development Bank of Wales plc are available to the public and can be obtained as set out in note 11.

**Restatement of Previous year**

Management identified a prior period adjustment during the year resulting in a restatement of the comparative period in the 2020 financial statements, as detailed in note 12. A third balance sheet has not been presented as the movements are identified in the statement of changes in equity.

**Amendments to IFRSs and the new interpretation that are mandatorily effective for the current year**

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2019.

**IFRS 16 : Leases**

The adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

**Taxation*****Current tax***

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the period. 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.

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2020****1. ACCOUNTING POLICIES (continued)****Taxation (continued)*****Deferred tax***

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

***Current tax and deferred tax for the period***

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Turnover**

Turnover represents fund managers' fees, application fees and arrangement fees. All turnover relates to one class of business and arises in the UK. Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when performance obligations have been satisfied.

**Investments**

Investments are accounted for at cost less impairment.

**Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the relevant instrument.

***Financial Assets******Financial Assets held at amortised cost***

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified at amortised cost.

***Financial liabilities***

Debt instruments are classified as financial liabilities according to the substance of the contractual arrangements.

***Derecognition of financial liabilities***

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2020****1. ACCOUNTING POLICIES (continued)****Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**Related party transactions**

In accordance with the exemption conferred by paragraph 8 (j) of FRS 101 “Reduced Disclosure Framework” the Company has not disclosed transactions with other Group Companies, where 100% of the voting rights are controlled by the group.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company’s accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying the Company’s accounting policies**

The directors do not consider there to be any critical accounting judgements that could cause a material difference compared to the figures as disclosed in the Annual Report and Financial Statements.

**Key sources of estimation uncertainty**

There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**3. OPERATING PROFIT**

Operating profit has been arrived at after charging portfolio advisory fees of £28,140 (2019: nil).

The fees payable to the Company’s auditor for the statutory audit of the Company’s annual financial statements of £3,900 (2019: £3,310) have been paid by Development Bank of Wales plc and were not recharged.

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

None of the directors received any emoluments from the Company in the current or prior financial year. It is not practicable to allocate their remuneration between their services as directors of this Company and other Group companies. Further details of directors’ remuneration are presented in the financial statements of Development Bank of Wales plc and DBW FM Limited.

The directors were the only employees of the Company during the current and prior financial year.

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2020 £	2019 £
Dividend received from subsidiary company	1,300,000	1,000,000
Total other income	<u>1,300,000</u>	<u>1,000,000</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

## 6. TAX

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax charge for the year	-	-
The charge for the year can be reconciled to the profit in the profit and loss account as follows:		
	£	£
Profit before tax	1,271,860	1,000,000
Tax on profit at standard UK corporation tax rate of 19% (2019: 19%)	241,653	190,000
<b>Effects of:</b>		
Income not taxable	(241,653)	(190,000)
<b>Total taxation charge</b>	-	-

From 1 April 2017, the main rate of corporation tax reduced to 19%. In March 2016, the government announced further reductions in the main rate of corporation tax to 17% from 1 April 2020. These changes were substantively enacted in September 2016. This reduction was reversed, and the reversal substantively enacted in March of 2020 such that the main rate of corporation tax remains at 19%.

## 7. INVESTMENTS

	2020 £	Restated* 2019 £
At 1 April	19,820,758	19,820,758
<b>At 31 March</b>	<b>19,820,758</b>	<b>19,820,758</b>

\*Certain amounts shown here do not correspond to the 2019 financial statements and reflect adjustments detailed in notes 1 and 12.

The Company's investments in Group subsidiaries are held at cost which equates to net book value and relate to:

**Subsidiaries**

DBW FM Limited	United Kingdom	100%	£1 ordinary shares
FW Capital Limited	United Kingdom	100%	£1 ordinary shares
NE Growth 500 LP Limited	United Kingdom	100%	£1 ordinary shares
N W Loans Limited	United Kingdom	100%	£1 ordinary shares
TVUPB Limited	United Kingdom	100%	£1 ordinary shares
North West Loans Limited	United Kingdom	100%	£1 ordinary shares
FW Development Capital (North West) GP Limited	United Kingdom	100%	£1 ordinary shares
FWC Loans (North West) Limited	United Kingdom	100%	£1 ordinary shares
FWC Loans (TVC) Limited	United Kingdom	100%	£1 ordinary shares
North West Loans NPIF GP Limited	United Kingdom	100%	£1 ordinary shares
TVC Loans NPIF GP Limited	United Kingdom	100%	£1 ordinary shares
Management Succession GP Limited	United Kingdom	100%	£1 ordinary shares
North East Property GP Limited	United Kingdom	100%	£2 ordinary shares

The registered offices of the subsidiaries noted above is Unit J, Yale Business Village, Ellice Way, Wrexham, LL13 7YL.

The activities of the subsidiaries consist of the provision of financial services to small and medium sized enterprises and fund management activities.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

## 8. FINANCIAL ASSETS

	2020 £	2019 £
<b>Trade and other receivables</b>		
<b>Current assets:</b>		
Amounts due from parent company	27,903	1

## 9. FINANCIAL LIABILITIES

	2020 £	2019 £
<b>Trade and other payables</b>		
<b>Current Liabilities</b>		
Amounts owed to other Group companies	28,140	-

The Company's financial liabilities are carried at amortised cost. The directors consider that the carrying amount of trade creditors approximates their fair value.

## 10. CALLED UP SHARE CAPITAL

	2020 £	2019 £
<b>Authorised and allotted</b>		
155,012 ordinary shares of £1 each	155,012	155,012
<b>Allotted, called up and fully paid</b>		
155,012 ordinary shares of £1 each	155,012	155,012

The Company has one class of ordinary share which carries no right to fixed income.

The following dividend was declared and paid by the Company in the year:

	2020 £	2019 £
£8.20 per qualifying ordinary share (2019 – £6.45 per share)	1,271,098	999,827

## 11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's immediate parent undertaking is Development Bank of Wales plc, a company incorporated in the United Kingdom. Development Bank of Wales plc is the smallest group within which the Company is a member and for which consolidated financial statements are prepared. Welsh Ministers is the largest group within which the Group results are consolidated. The registered office address of Development Bank of Wales plc is Unit J, Yale Business Village, Ellice Way, Wrexham, LL13 7YL. Copies of the Group financial statements of Development Bank of Wales plc are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The consolidated financial statements of Welsh Ministers may be obtained from its registered address, Cathays Park, Cardiff, CF10 3NQ.

Development Bank of Wales plc regards the Welsh Ministers, acting through the Welsh Government, as the ultimate parent and ultimate controlling party.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2020**
**12. RESTATEMENT OF PREVIOUS YEAR**

The previous year has been restated for the following:

After the Company was incorporated in 2018 a number of subsidiaries of the Company's parent company were transferred to be subsidiaries of the company as part of a wider group restructure. As the transfers of these subsidiaries were common control transactions, predecessor accounting was applied i.e. investments in subsidiaries were recorded at their existing carrying values in the company balance sheet.

Errors were made in recording these transfers whereby the share capital subscribed by DBW Plc was included in the carrying values however capital contributions prior to the transfer were excluded, these capital contributions should have been recorded in the Company's equity and as an increase to the value of investments in subsidiaries.

	Previously reported £	Correction £	Restated £
<b>NON CURRENT ASSETS</b>			
Investments	155,011	19,665,747	19,820,758
	<u>155,011</u>	<u>19,665,747</u>	<u>19,820,758</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS</b>	<u>155,185</u>	<u>19,665,747</u>	<u>19,820,932</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	155,012	-	155,012
Public Equity	-	19,665,747	19,665,747
Profit and loss account	173	-	173
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<u>155,185</u>	<u>19,665,747</u>	<u>19,820,932</u>