

Velocity Partners Limited

Annual Report and Financial Statements
For the year ended 30 April 2018

Registered Number: 04128107

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Velocity Partners Limited

Annual report and financial statements
for year ended 30 April 2018

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Velocity Partners Limited

Officers and professional advisers
Annual report and financial statements
for the year ended 30 April 2018

Directors

D Kessler
S Woods
P Harris
L Lowry

Registered office

75 Bermondsey Street, London, United Kingdom, SE1 3XF.

Registered number

04128107

Auditor

Deloitte LLP, Statutory Auditor, London, United Kingdom.

Velocity Partners Limited

Strategic Report for the year ended 30 April 2018

The Directors present their strategic report together with the audited financial statements of Velocity Partners Limited (the "Company") for the year ended 30 April 2018.

The purpose of the strategic report is to inform shareholders of the Company and help them to assess how the Directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the Company).

Principal activity, review of business and future developments

Principal Activity

The principal activity of the Company in the year under review was principally the provision of marketing consultancy with a focus on technology.

The Directors do not anticipate any changes to the principal activity of the Company in the foreseeable future.

Financial performance

On 10 July 2017, Next Fifteen Communications Group plc ("Next 15") purchased the entire share capital of the Company.

The results of the Company are set out in the profit and loss account on page 10. The company has had a strong year, being the first financial year under the Next 15 group, with turnover remaining stable when comparing like for like year. The company also reported a profit of £2,788,811 (2017: £620,645) during the year. The reason for the significant increase in profit was due to a £2,000,000 gain on sale of IP, relating to the right to use the trade name and other IP sold to a subsidiary, Velocity Partners US Inc.

The Company's Balance sheet is healthy with a net asset position of £4,984,053 (2017: £2,256,242).

Future developments

The Company will continue to re-invest its profits to achieve growth and synergies and the Directors do not anticipate any changes to the principal activity of the Company in the foreseeable future.

Key performance indicators

The key financial indicators that the Company uses to monitor performance are turnover less other external charges, operating profit margin and net current assets.

The key financial performance indicators in the year were as follows:

	Year to 30 April 2018	Year to 30 April 2017
Turnover less other external charges (£'000)	5,553	4,537
Operating profit margin net of gain on sale of IP (%)	17%	18%
Net Current Assets (£'000)	4,861	2,144

Velocity Partners Limited

Strategic Report (continued)
for the year ended 30 April 2018

Principal risks and uncertainties

The principal risks of the Company are considered to be people, clients and products.

Our people are key to ensuring consistency and quality of delivery and, in turn, ensure higher retention rates of our clients. Incentive and retention packages are reviewed annually and targeted at the key executives.

Over-reliance on key clients can represent a significant risk to the business. This is monitored on a regular basis by the directors.

Following recent changes in the political environment, the Company faces uncertainty in the UK. In uncertain political and economic times, there is an increased risk that customers cut marketing spend leading to reduced revenue and profit for the Company. The Board continues to monitor the latest macroeconomic developments to inform the Company strategy.

Financial risk management objectives and policies

Liquidity risk

We have considered the impact of other risks such as interest rates and foreign exchange volatility but, whilst there is some exposure, we do not consider the risks to be material to the Company.

Credit risk

The balance sheet of the Company includes intercompany and client balances. The Company is therefore exposed to credit risk on these balances. There is no concentration of credit with any one counterparty.

Approved by the Board



P Harris
Director
23 January 2019

Velocity Partners Limited

Directors' Report for the year ended 30 April 2018

The Company has chosen, in accordance with section 411C(11) of Companies Act 2006, to include such matters of strategic importance to the Group in the Strategic Report which otherwise would be required to be disclosed in the Directors' Report.

Results and dividends

The profit and loss account is set out on page 10 and shows a profit of £2,788,811 for the year (2017: £620,645).

The Directors paid dividends amounting to £61,000 in the year (2017: £404,000).

Directors

The Directors of the Company during the year and up to the date of signing were:

D Kessler
S Woods
P Harris (appointed 10 July 2017)
L Lowry (appointed 10 July 2017)

Going Concern

At the balance sheet date the Company had net current assets of £4,860,876. The business is forecast to be profitable going forward. After making enquiries, the Directors have formed a judgement at the time of approving the financial statements that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Events after the balance sheet date

There are no significant or material post balance sheet events between the financial year end date and the date of this report.

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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. Deloitte LLP were appointed as auditors during the year, as the prior year was exempt from audit under 477 of the Companies Act 2006.~~

Approved by the Board



P Harris
Director
23 January 2019

Velocity Partners Limited

Directors' responsibilities statement for the seven months ended 30 April 2018

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 judgments and accounting estimates that are reasonable and prudent; 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.

Velocity Partners Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VELOCITY PARTNERS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Velocity Partners Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 April 2018 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 18.

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 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.

Velocity Partners Limited

Independent auditor's report (continued)

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 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. 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 strategic report and the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the directors have 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 strategic report or 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.

We have nothing to report in respect of these matters.

Velocity Partners Limited

Independent auditor's report (*continued*)

Other matter

As the company was exempt from audit under section 477 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.

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.



Andrew Evans
(Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

23 January 2019

Velocity Partners Limited

Profit and loss account for the year ended 30 April 2018

	Note	Year ended 30 April 2018 £	Year ended 30 April 2017 (unaudited) £
Turnover	3	6,425,635	5,761,909
Other external charges		(872,857)	(1,225,077)
Turnover less other external charges		5,552,778	4,536,832
Administrative costs		(2,624,743)	(3,704,421)
Operating profit	4	2,928,035	832,411
Interest receivable and similar income	8	20,659	2,578
Profit before tax		2,948,694	834,989
Tax charge on profit	9	(159,883)	(214,344)
Profit for the financial year		2,788,811	620,645

All amounts relate to continuing activities.

There were no items of comprehensive income in the current or prior year other than the profit for the year and, accordingly, no statement of comprehensive income is presented.

The accompanying notes on pages 13 to 22 form an integral part of these financial statements.

Velocity Partners Limited

Balance sheet as at 30 April 2018

Registered number 04128107	Note	2018 £	2017 (unaudited) £
Fixed assets			
Tangible assets	10	123,099	112,062
Investments	11	78	78
		123,177	112,140
Current assets			
Debtors: Amounts falling due within one year	12	5,261,638	1,539,167
Cash at bank and in hand		701,173	2,108,791
		5,962,811	3,647,958
Creditors: Amounts falling due within one year	13	(1,101,935)	(1,503,856)
Net current assets		4,860,876	2,144,102
Total assets less current liabilities		4,984,053	2,256,242
Net assets		4,984,053	2,256,242
Capital and reserves			
Called up share capital	15	103	103
Share based payment reserve	16	600,000	600,000
Profit and loss account		4,383,950	1,656,139
Shareholders' funds		4,984,053	2,256,242

The financial statements of Velocity Partners Limited (registered number 04128107) were approved by the board of directors and authorised for issue on 23 January 2019. They were signed on its behalf by:


 P Harris
 Director

The accompanying notes on pages 13 to 22 form an integral part of these financial statements.

Velocity Partners Limited

Statement of changes in equity for the year ended 30 April 2018

	Share capital (note 15) £	Share-based payment reserve £	Profit and Loss Account £	Total £
Balance at 1 May 2016 (unaudited)	100	-	1,439,494	1,439,594
Profit for the year	-	-	620,645	620,645
Dividends	-	-	(404,000)	(404,000)
Issue of share capital	3	-	-	3
Credit relating to equity-settled share-based payments	-	600,000	-	600,000
Balance at 30 April 2017 (unaudited)	-103	600,000	1,656,139	2,256,242
Profit for the year	-	-	2,788,811	2,788,811
Dividends	-	-	(61,000)	(61,000)
Balance at 30 April 2018	103	600,000	4,383,950	4,984,053

The accompanying notes on pages 13 to 22 form an integral part of these financial statements.

Velocity Partners Limited

Notes forming part of the financial statements for the year ended 30 April 2018

1 General Information

Velocity Partners Limited (the Company) is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 3 to 4. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. Accordingly, in the year ended 30 April 2018 the Company has changed its accounting framework from FRS 102 1A Section 1A to FRS101. This transition is not considered to have a material effect on the financial statements.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statement, because it is included in the group accounts Next Fifteen Communications Group plc. The group accounts of Next Fifteen Communications Group plc are available to the public and can be obtained as set out in note 18.

2 Significant accounting policies

Basis of accounting

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related-party transactions.

The financial statements are prepared under the historical cost convention.

The following principal accounting policies have been applied:

Adoption of new and revised standards

The Company has adopted all new accounting standards which were required to be adopted in the current period. They did not have a material impact on the Company.

Going concern

After making enquiries, the Directors have formed a judgement at the time of approving the financial statements that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Velocity Partners Limited

Notes forming part of the financial statements (continued) for the year ended 30 April 2018

2 Significant accounting policies (continued)

Revenue recognition

Billings represent amounts receivable from clients, exclusive of VAT, sales taxes and trade discounts in respect of charges for fees, commission and rechargeable expenses incurred on behalf of clients. Revenue is billings less amounts payable on behalf of clients to external suppliers where they are retained to perform part of a specific client project or service, and represents fees, commissions and mark-ups on rechargeable expenses. Revenue is recognised on the following basis:

Turnover less rechargeable expenses is recognised on the following basis:

- Retainer and other non-retainer fees are recognised as the services are performed;
- Project fees are recognised on a percentage completion basis; and
- Expenses (other external charges) are recharged to clients at cost plus an agreed mark-up when the services are performed.

For contracts where the Company is considered to be acting as an agent, turnover is presented net in the financial statements.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Tangible fixed assets

Fixed assets are stated at cost, net of depreciation. Depreciation is provided on all tangible fixed assets, at annual rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Fixtures and fittings	-	20%
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Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments / hedge accounting).

Velocity Partners Limited

Notes forming part of the financial statements for the year ended 30 April 2018 (continued)

2 Significant accounting policies (continued)

Taxation

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

Current tax

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. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts 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.

Leases

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

Velocity Partners Limited

Notes forming part of the financial statements
for the year ended 30 April 2018 (continued)

2 Significant accounting policies (continued)

The Company as lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Financial instruments

Financial assets and liabilities are recognised on the Balance Sheet when the Company becomes party to the contractual provisions of the asset or liability. The Company's accounting policies for different types of financial asset and liability are described below.

Trade debtors are initially recognised at fair value and will subsequently be measured at amortised cost less allowances for impairment. An allowance for impairment of trade debtors is established when there is objective evidence (such as significant financial difficulties on the part of the counterparty, or default or significant delay in payment) that the Company will not be able to collect all amounts due according to the original terms of the debtors. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows associated with the impaired receivable.

Such provisions are recorded in a separate allowance account, with the loss being recognised as an expense in the administrative expenses line in the profit and loss account. On confirmation that the trade debtors will not be collectable, the gross carrying value is written off against the associated allowance.

Trade payables are initially recognised at fair value and thereafter at amortised cost.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described 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.

The only material critical accounting judgement or estimate related to the valuation of the trade name and other IP which was sold to a subsidiary, Velocity Partner US Inc, during the year

Management believe there are no other material critical accounting judgements or estimates present.

Velocity Partners Limited

Notes forming part of the financial statements for the year ended 30 April 2018 (continued)

3 Turnover and revenue	Year ended 30 April 2018 £	Year ended 30 April 2017 (unaudited) £
An analysis of the Company's turnover is as follows:	6,425,635	5,761,909
Rendering of services	5,636,877	5,115,400
Mechanical income	788,758	646,509
	6,425,635	5,761,909

All turnover relates to continuing operations and arises from the provision of services within the UK 17% (2017: 18%), US 68% (2017: 74%) and Europe, Middle East and Africa 15% (2017: 8%).

4 Operating profit for the financial year	Year ended 30 April 2018 £	Year ended 30 April 2017 (unaudited) £
Operating profit for the year has been arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	60,000	53,197
Foreign exchange loss / (gain)	44,087	(80,046)
Staff costs (see note 6)	3,105,499	3,192,980
Gain on sale of IP	2,000,000	-
	6,425,635	5,761,909

The gain on sale of IP related to the right to use the trade name and other IP which was sold to another company in the group, Velocity Partners US Inc.

5 Auditor's remuneration

Fees payable to Deloitte and their associates for the audit of the Company's financial statements were £12,000 (2017-accounts were unaudited).

Fees payable to Deloitte and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

Velocity Partners Limited

Notes forming part of the financial statements
for the year ended 30 April 2018 (continued)

6 Employees

	Year ended 30 April 2018 £	Year ended 30 April 2017 (unaudited) £
Staff costs, including Directors, consist of:		
Wages and salaries	2,736,249	2,211,989
Social security costs	255,003	266,800
Other pension costs	114,247	114,191
Equity settled employee benefits	-	600,000
	3,105,499	3,192,980

The monthly average number of employees during the year was as follows:

	2018 Number	2017 Number
Directors	2	2
Other staff	41	40
	43	42

7 Directors' remuneration

	Year ended 30 April 2018 £	Year ended 30 April 2017 (unaudited) £
Total remuneration of all Directors:		
Aggregate emoluments	232,500	30,000
Company contributions to defined contribution schemes	2,000	12,000
	234,500	42,000

P Harris and L Lowry are Directors of more than one group company. P Harris is a Director of the ultimate parent Next Fifteen Communications Group Plc. L Lowry is an employee of Next Fifteen Communications Group plc. They received emoluments from other entities within the Next Fifteen Communications Group during the year, but it is not practicable to allocate this between their services as Directors of the group and as Directors of other group companies. Included within this amount are amounts accruing under individual pension schemes for their services to the group.

Remuneration of highest paid Director:

Aggregate emoluments	116,250	15,000
Company contributions to defined contribution scheme	1,000	6,000
	117,250	21,000

Velocity Partners Limited

Notes forming part of the financial statements
for the year ended 30 April 2018 (*continued*)

8 Interest receivable and similar income

	Year ended 30 April 2018 £	Year ended 30 April 2017 (unaudited) £
Interest receivable	20,659	2,578

At the Balance Sheet date, there were no external loans outstanding to parties outside of the Next 15 Group.

9 Tax charge on profit

	Year ended 30 April 2018 £	Year ended 30 April 2017 (unaudited) £
a) Analysis of charge in the year		
Current taxation	59,659	308,543
Adjustments to current taxation in respect of prior year	(426)	-
Deferred taxation (note 14)	100,650	(94,199)
Total tax (note 9b)	<u>159,883</u>	<u>214,344</u>

b) Factors affecting total tax

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 30 April 2018 £	Year ended 30 April 2017 (unaudited) £
Profit before tax	2,948,694	834,989
Tax on profit at the standard rate of corporation tax in the UK of 19% (2017: 19.92%)	560,252	166,330
Effects of:		
Gain on sale of IP	(380,000)	-
Other disallowed expenses	(19,943)	48,014
Adjustments in respect of prior year	(426)	-
Total tax for the year (note 9a)	<u>159,883</u>	<u>214,344</u>

The UK income tax expense is based on the UK statutory rate of corporation tax for the year to 30 April 2018 of 19% (2017: 19.92%). Legislation was passed in September 2016 to reduce the main rate of corporation tax to 19% from April 2017 and 17% from April 2020.

Velocity Partners Limited

Notes forming part of the financial statements
for the year ended 30 April 2018 (continued)

10 Tangible fixed assets	Fixtures and fittings £	Total £
<i>Cost</i>		
At 1 May 2017 (unaudited)	402,169	402,169
Additions	71,037	71,037
	473,206	473,206
At 30 April 2018		
<i>Accumulated depreciation and impairment</i>		
At 1 May 2017 (unaudited)	290,107	290,107
Charge for the year	60,000	60,000
	350,107	350,107
At 30 April 2018		
<i>Net book value</i>		
At 30 April 2018	123,099	123,099
At 30 April 2017 (unaudited)	112,062	112,062
11 Fixed Asset Investments		
		Subsidiary undertakings £
<i>Cost</i>		
At 30 April 2017 (unaudited) and 30 April 2018		78
<i>Provisions for Impairment</i>		
At 30 April 2017 (unaudited) and 30 April 2018		-
Carrying Amount		
At 30 April 2018		78
At 30 April 2017 (unaudited)		78

The Company has a 100% investment in Velocity Partners US Inc, a company registered in the USA. The registered office is CT Corporation System, 111 Eighth Avenue, New York, NY10011.

Velocity Partners Limited

Notes forming part of the financial statements for the year ended 30 April 2018 (continued)

12 Debtors	2018	2017 (unaudited)
Amounts falling due within one year	£	£
Trade debtors	1,412,454	1,210,903
Amounts owed by group undertakings	3,619,486	68,942
Other debtors	56,698	65,931
Prepayments	93,846	96,153
Accrued income	79,154	3,039
Deferred tax (note 14)	-	94,199
	5,261,638	1,539,167

All amounts owed by group undertakings are repayable on demand and do not attract interest.

13 Creditors	2018	2017 (unaudited)
Amounts falling due within one year	£	£
Trade creditors	190,375	204,708
Corporation tax	59,661	308,543
Other taxation and social security	56,133	106,239
Other creditors	15,255	2,400
Accruals	382,479	234,877
Deferred income	391,581	647,089
Deferred tax (note 14)	6,451	-
	1,101,935	1,503,856

14 Deferred taxation	2018	2017 (unaudited)
	£	£
The deferred tax (liability)/asset included in the balance sheet is as follows:		
Included in (creditors)/debtors (note 13/12)	(6,451)	94,199
	(6,451)	94,199
The movement in the deferred taxation account during the year was:		
Balance at 1 May	94,199	-
(Debit)/credit to the profit and loss account for the year (note 9)	(100,650)	94,199

Balance at 30 April	(6,451)	94,199
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The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

Depreciation in excess of capital allowances	(10,915)	(19,801)
Equity settled share-based payment reserve	-	114,000
Other	4,464	-
	(6,451)	94,199

Velocity Partners Limited

Notes forming part of the financial statements
for the year ended 30 April 2018 (continued)

15 Share capital

	2018	2017	2018	2017
	Number	(unaudited) Number	£	(unaudited) £
Called up, allotted and fully paid				
Ordinary shares of 0.01p each	1,000,000	1,000,000	100	100
Growth shares of 0.01p each	29,411	29,411	3	3
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Growth shares shall entitle the holders only to participate in the proceeds of sale on a share sale or in exit proceeds on the winding up of the Company or a return of capital. No other rights attach to the growth shares.

16 Share based payment reserve

On 24th January 2017, certain employees of the company were granted options over shares in the company. The options were granted with a fixed exercised price, were exercisable after the date of grant and expire five years after date of grant. Employees are required to remain in the employment. The total number of shares granted were 29,411. During the year all shares were exercised.

17 Operating lease arrangements

	Year ended 30 April 2018	Year ended 30 April 2017
	£	(unaudited) £
Lease payments under operating leases recognised as an expense in the year	150,958	122,842
	<u> </u>	<u> </u>

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	(unaudited) £
Within one year	122,843	134,010
In the second to fifth years inclusive	-	122,843
In greater than five years	-	-
	<u> </u>	<u> </u>
	<u>122,843</u>	<u>256,853</u>

18 Controlling party

The ultimate parent undertaking, controlling party and parent of the smallest and largest group which this company is consolidated is Next Fifteen Communications Group Plc, which is incorporated in United Kingdom and registered in England and Wales. The consolidated financial statements of Next Fifteen Communications Group Plc are available to the public and can be obtained from their registered office at 75 Bermondsey Street, London, SE1 3XF.