

# Foviance Group Limited

## Annual Reports and Financial Statements

3 July 2020

*Registered number 04331949*



# Foviance Group Limited

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Registered No. 04331949

## **Directors**

D J Gittleson

K H Gaskell

R Sedley

## **Registered Office**

1 More London Place

London

SE1 2AF

## Strategic report

The directors present their strategic report for the period from 29 June 2019 to 3 July 2020 (the comparative period being from 30 June 2018 to 28 June 2019).

### Principal activity and review of the business

The company's principal activity during the period was that of a holding company. Dividends in specie of £79k (2019 dividends of £2,234k) were received from subsidiaries during the period. This resulted in the impairment in the investments in subsidiaries on the balance sheet of £79k (2019: £2,234k). The company declared dividends of £nil (2019: £nil) to its shareholder during the period.

The company has no other key performance indicators.

### Future developments

The results for the period are in line with expectations. The directors do not expect significant changes to the present nature of the business in the near future.

### Principal risks and uncertainties

The principal risks facing the company relates to the timely settlement of balances with its subsidiary undertaking and the carrying value of its investments in subsidiaries. The directors review and agree policies for managing these risks as set out in note 9.

### Section 172 statement

The company's parent is Ernst & Young LLP ("EY LLP"). Given the company's principal activity stated above, and the fact that the company has no commercial business, the general stakeholder and other considerations relevant to operating or commercial trading companies do not generally apply to any such decisions of the company's directors.

During the period, the company's directors acted in a way that they considered, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, have had regard to the matters set out in section 172(1)(a)-(f) of the Companies Act 2006 when and if making decisions. In addition, the company's directors also had regard to other factors and matters that they consider relevant to any such decisions made. When and if required, the company's directors hold board meetings to make key decisions relating to the company, where such above matters and factors are considered, as relevant.

On behalf of the Board



R Sedley

Director

Date: 23 June 2021

## Directors' report

The directors present their reports and financial statements for the period from 29 June 2019 to 3 July 2020 (the comparative period being from 30 June 2018 to 28 June 2019).

### Results and dividends

The company's profit for the period amounted to £nil (2019: £nil).

Dividends totalling £nil were paid during the period (2019: £nil).

The company's business activities, together with its future expected business developments and risk exposures are described in the strategic report.

### Financial instruments

The directors are responsible for setting objectives and policies in relation to financial instruments, details of which can be found in note 9.

### Directors and directors' interests

The directors who held office during the period ended 3 July 2020 and the period up until approval of the financial statements are listed on page 1.

### Going concern

The directors have considered the impact of COVID-19 on the company. Given the nature of the company's business, a holding company with no commitments, COVID-19 has not had any material impact on its operations, nor is it expected to impact the going concern status of the company for the foreseeable future. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least a year from the date of approval of these financial statements.

For and on behalf of the Board



R Sedley

Director

Date: 23 June 2021

## Statement of directors' responsibilities

The directors are responsible for preparing the annual reports and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law, the directors have elected to prepare the company financial statements in accordance with International Financial Reporting Standards in conformity with the Companies Act 2006 ("IFRS"). 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 and loss of the company for that period. In preparing these financial statements, the directors are required to:

- present fairly the financial position, financial performance and cash flows of the company;
- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance;
- state whether the company financial statements have been prepared in accordance with IFRS, 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 company 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.

## Statement of comprehensive income

for the period ended 3 July 2020

		<i>(Restated)</i>	
		<i>53 weeks to</i>	<i>52 weeks to</i>
		<i>3 July 2020</i>	<i>28 June 2019</i>
	<i>Notes</i>	<i>£k</i>	<i>£k</i>
<b>Other income</b>			
Dividend income from subsidiaries		79	2,234
<b>Operating expenses</b>			
Impairment of investments in subsidiaries		(79)	(2,234)
<b>Profit before tax</b>			
Tax charge	4	-	-
<b>Profit and total comprehensive income for the period</b>			
		-	-

## Statement of changes in equity

for the period ended 3 July 2020

	<i>Notes</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Retained earnings</i>	<i>Total</i>
		<i>£k</i>	<i>£k</i>	<i>£k</i>	<i>£k</i>
At 29 June 2018		2,582	59	144	2,785
Profit and total comprehensive income for the period (restated)		-	-	-	-
At 28 June 2019		2,582	59	144	2,785
Profit and total comprehensive income for the period		-	-	-	-
At 3 July 2020		2,582	59	144	2,785

The notes on pages 7 to 11 form part of these financial statements.

## Balance sheet

at 3 July 2020

Registered No. 04331949

		3 July 2020 £k	(Restated) 28 June 2019 £k
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	5	2,116	2,195
<b>Current assets</b>			
Non interest-bearing loan receivable	6	669	669
<b>Total assets</b>		<b>2,785</b>	<b>2,864</b>
<b>Current liabilities</b>			
Other payables		-	79
<b>Total liabilities</b>		-	79
<b>Equity</b>			
Share capital	7	2,582	2,582
Share premium		59	59
Retained earnings		144	144
<b>Total equity</b>		<b>2,785</b>	<b>2,785</b>
<b>Total equity and liabilities</b>		<b>2,785</b>	<b>2,864</b>

For the period ended 3 July 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements of Foviance Group Limited for the period ended 3 July 2020 were authorised for issue by the board of directors and signed on their behalf by:



R Sedley

Director

Date: 23 June 2021

The notes on pages 7 to 11 form part of these financial statements.

## Notes to the financial statements

at 3 July 2020

### 1. Corporate information

Foviance Group Limited ('the company') is a private company limited by shares and incorporated, domiciled and registered in England and Wales (Registered number 04331949). The company's registered office address is 1 More London Place, London, SE1 2AF.

### 2. Accounting policies

The principal accounting policies are summarised below and have been applied consistently throughout the period and the preceding period, unless otherwise stated.

#### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards in conformity with the Companies Act 2006 ("IFRS").

The financial statements have been prepared on the accrual basis of accounting using a number of measurement bases, as set out in the accounting policies below. The financial statements have been prepared on a going concern basis. The company is a holding company with no commitments. The directors have considered the impact of COVID-19; which given the nature of the company's business, is not expected to adversely impact the going concern status of the company. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements and therefore they continue to prepare the financial statements on a going concern basis.

The company is exempt from audit for the current period as the parent has given a guarantee under s479A-479C of the Companies Act 2006.

The functional currency of the company is pounds sterling. The financial statements are presented in sterling and, unless otherwise indicated, are rounded to the nearest thousand pounds (£k).

The company is exempt from the obligation to prepare group accounts under section 400 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking and its parent undertaking, Ernst & Young LLP, prepares group accounts (see note 11).

The financial statements have been drawn up for the 53 week period from 29 June 2019 to 3 July 2020 (the comparative period being the 52 week period from 30 June 2018 to 28 June 2019).

The company had no cash transactions during the period or the preceding financial period. No cash flow statement has therefore been prepared. Cash transactions are undertaken by the company's subsidiary, EY-Seren Limited, and cleared through the intercompany account (see note 8).

The 2019 comparatives have been restated. In the prior period, dividends totalling £2,234k were received from Se Vendre Limited and Seren Partners Limited, subsidiaries of the company. However, the dividend income recognised in the accounts was understated at £2,214k. In addition, the declaration of these dividends resulted in an impairment of the investments in subsidiaries held on the balance sheet as described in note 5. This impairment expense of £2,234k and resulting reduction in investments in subsidiaries, were not previously recorded. There was no impact on the opening balance sheet position as at 30 June 2018, therefore a comparative balance sheet has not been included.

#### Dividend income

Dividend income is recognised when the company's right to receive dividends is established, which is when the dividend has been paid or a legally binding liability has been established for the payment of the dividend by the subsidiaries.

#### Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### Investments

Investments in subsidiaries are carried at cost less provision for impairment.



## Notes to the financial statements

at 3 July 2020

### 2. Accounting policies (continued)

#### Financial instruments

Financial instruments are recognised when the company becomes party to the contracts that give rise to them and they are derecognised on settlement. They are measured initially at fair value, normally being the transaction price. The subsequent accounting treatment depends on the classification of an instrument as set out below.

#### Loans receivable

Loans receivable are carried at amortised cost using the effective interest method if the time value of money is significant.

#### New and amended accounting standards and interpretations and other changes to the financial statements

Several amendments and interpretations apply for the first time in the current period, but do not have an impact on the financial statements of the company.

#### Standards that are not yet effective

A number of standards and other pronouncements are in issue that are not yet effective and have not been adopted, none of which are expected to have a material impact on the company.

### 3. Directors' remuneration

The directors of Foviance Group Limited received no remuneration for their services as directors or their services in connection with the management of the company or its subsidiaries.

### 4. Tax

There is no income tax payable by the company since the entity's only income is dividend income from a subsidiary, which is not subject to corporation tax. The company has no deferred tax.

### 5. Investments in subsidiaries

	3 July 2020 £k	(Restated) 28 June 2019 £k
<b>Subsidiary undertakings held at cost</b>		
Opening	2,195	4,429
Impairment of investments in Seren Partners Limited and Se Vendre Limited	(79)	(2,234)
Closing	<u>2,116</u>	<u>2,195</u>

The investments in Seren Partners Limited and Se Vendre Limited were held at amounts equal to their net asset values. As a result of receiving dividends totalling £79k (2019: £2,234k) from these subsidiaries, the net asset values reduced and the investments were impaired by amounts equal to the dividends. Both subsidiaries have since been liquidated.

Details of the subsidiary undertakings are as follows:

<i>Subsidiary undertaking</i>	<i>Holding</i>	<i>Proportion of voting rights and shares</i>	<i>Nature of business</i>
EY-Seren Limited	Ordinary and preference shares	100%	Digital interface consultancy

## Notes to the financial statements

at 3 July 2020

### 5. Investments in subsidiaries (continued)

The investment in EY-Seren Limited includes the “A” preference shares and the “B” ordinary shares. The full subscription price of the “A” preference shares is repayable in priority and repayment can be requested at any time by the holders of the preference shares, subject to this being permissible under the Companies Act. Apart from and subject to this priority the preference shareholders rank pari passu with the “B” ordinary shares. Each share carries one vote and has the right to receive dividends. The “B” ordinary shares carry one vote each and has the right to receive dividends pari passu with the “A” preference shares.

All subsidiaries are incorporated and operate in the United Kingdom and are registered at 1 More London Place, London, SE1 2AF.

### 6. Non interest-bearing loan receivable

	3 July 2020 £k	28 June 2019 £k
Non interest-bearing loan from subsidiary undertaking	669	669

The loan to EY-Seren Limited relates to a £669k unsecured, non-interest bearing loan. The carrying value of the loan approximates its fair value.

### 7. Share capital

	3 July 2020 No.	3 July 2020 £k	28 June 2019 No.	28 June 2019 £k
<i>Authorised, Issued and fully paid</i>				
‘A’ Ordinary shares of £1 each	570,250	570	570,250	570
‘B’ Ordinary shares of £1 each	683,033	683	683,033	683
‘D’ Ordinary shares of £0.10 each	361,280	36	361,280	36
‘E’ Ordinary shares of £0.10 each	73,448	7	73,448	7
‘F’ Ordinary shares of £1 each	1,161,695	1,162	1,161,695	1,162
‘G’ Deferred shares of £1 each	123,520	124	123,520	124
	<u>2,973,226</u>	<u>2,582</u>	<u>2,973,226</u>	<u>2,582</u>

A, B, D, E and F shares have one vote per share and have the right to receive dividends. Each share has equal rights on a sale or winding up. G deferred shares are non-voting shares and have no right to participate in any income distribution of the company. On a sale or winding up, the G shareholders are only entitled to a distribution after all other shares have been paid £1 million per share.

The company’s objective when managing capital is to safeguard its ability to continue as a going concern. Capital is monitored by the directors to ensure this objective is met. No long term financing is required by the company.

## Notes to the financial statements

at 3 July 2020

### 8. Non-cash transactions

Foviance Group Limited received dividends in specie of £49k from Seren Partners Limited and £30k from Se Vendre Limited. The dividends in specie were settled against intercompany payable amounts.

During the prior period, Foviance Group Limited received £2,220k in dividends from Seren Partners Limited, and £14k from Se Vendre Limited. The dividends were settled in exchange for assuming intercompany receivables of £2,234k previously held by EY-Seren Limited.

### 9. Financial instruments

Financial instruments give rise to liquidity risk. The directors are responsible for setting objectives and maintaining policies to manage these risks. Financial instruments are not used for speculative activity and complex financial instruments are avoided. Information about how these risks are managed is set out below:

#### *Liquidity risk*

Liquidity risk arises from the company's transactions with entities within the group. The company's objective is to maintain a balance between continuity of funding and flexibility through the balance with its parent undertaking.

#### *Credit risk*

The company's only balance due is from its subsidiary, EY-Seren Limited. Loan receivable balances are monitored on an ongoing basis and as a result exposure to bad debts is not significant.

### 10. Related parties

The key management personnel comprise the directors of the company and the designated members of Ernst & Young LLP, its parent undertaking. The key management personnel receive no compensation for services to the company.

The following table provides the total amount of transactions entered into with related parties during the period, and balances as at the period end:

<i>2020</i>	<i>Dividend in specie received £k</i>	<i>Non-interest bearing loan receivable £k</i>	<i>Other payables £k</i>
Seren Partners Limited	49	–	–
Se Vendre Limited	30	–	–
EY- Seren Limited	–	669	–
	<u>          </u>	<u>          </u>	<u>          </u>

## Notes to the financial statements

at 3 July 2020

### 10. Related parties (continued)

	<i>Dividend received</i>	<i>Non-interest bearing loan receivable</i>	<i>Other payables</i>
<i>2019</i>	<i>£k</i>	<i>£k</i>	<i>£k</i>
Seren Partners Limited	2,220	–	49
Se Vendre Limited	14	–	30
EY- Seren Limited	–	669	–
	<u>          </u>	<u>          </u>	<u>          </u>

All balances with related parties are non-interest bearing. There were no transactions with key management personnel.

Except as disclosed above and elsewhere in the financial statements, there are no other related party transactions.

### 11. Ultimate controlling party

The company's parent undertaking and ultimate controlling party is Ernst & Young LLP, a limited liability partnership registered in England and Wales. Ernst & Young LLP is the parent undertaking of the smallest and largest group that consolidates these financial statements, copies of which are available from its registered office, 1 More London Place, London, SE1 2AF.