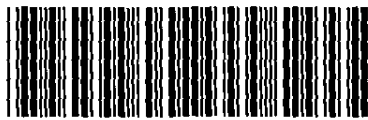


Registered number: 11584733

**NBS Ventures Limited**

**Unaudited Annual Report and Financial Statements  
for the period ended 31 March 2019**

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**NBS Ventures Limited**

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**Directors and company information**

**Directors**

A Obey  
T Prestedge

**Company secretary**

NBS CoSec Limited

**Registered office**

Nationwide House  
Pipers Way  
Swindon  
SN38 1NW

**Registered number**

11584733

## ***NBS Ventures Limited***

### **Directors' report for the period ended 31 March 2019**

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The directors present their annual report and the unaudited financial statements for the period from 24 September 2018 to 31 March 2019.

As set out in the statement of accounting policies, the annual report and financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The directors have opted to take advantage of the audit exemption available to the Company under Section 479A of the Companies Act 2006, as a subsidiary of Nationwide Building Society.

#### **Principal activities**

NBS Ventures Limited ('the Company') is a wholly owned subsidiary of NBS Ventures Management Limited, its immediate parent company, with the ultimate parent being Nationwide Building Society ('the Society'). Nationwide Building Society prepares consolidated financial statements, which include the Company and other controlled undertakings of the Society (herein 'the Group').

The Company was incorporated on 24 September 2018 and the principal activity of the Company is to hold investments in start-up businesses as part of the Venture Fund ('the Fund') run by NBS Ventures Management Limited, its immediate parent company. The principal aim of the Fund is to enable the Society to be at the forefront of helping develop innovative products and services to benefit its members both now and in the future.

#### **Review of the year, results and dividends**

The profit after tax was £nil. No dividends were proposed, approved or paid during the period.

#### **Future developments**

NBS Ventures Management Limited continues to actively seek further investment opportunities that could add value to the Society.

Subsequent to the balance sheet date the Company has made several new investments, the details of which are set out in note 7 to the financial statements.

In October 2019, the UK Government and the European Union agreed to delay the UK's departure from the European Union until 31 January 2020 unless a withdrawal agreement is agreed before this date. As the Group's business model is primarily focused in the UK, it has limited direct exposure to the EU. Further details can be found in the Strategic Report of the Group's Annual Report and Accounts.

#### **Employees**

The Company has no employees. All staff, including the Company's directors, are employed by Nationwide Building Society.

#### **Environment**

The Company's environmental policy is set at a Group level. The Group remains committed to managing its environmental impacts and its ambition is to look for better, cleaner ways to run its operations.

Further details of the Group's activities can be found in the Directors' report in its Annual Report and Accounts and on Nationwide Building Society's website at [nationwide.co.uk](http://nationwide.co.uk)

## **NBS Ventures Limited**

### **Directors' report for the period ended 31 March 2019 (continued)**

#### **Directors and directors' interests**

The Board of directors at the date of approval of the Directors' report is shown on page 1. The directors who held office during the period were:

A Obey (appointed 24 September 2018)  
T Prestedge (appointed 24 September 2018)

At no time during the period have the directors, or their families, had any beneficial interest in the shares of the Company. None of the directors had a material interest in any contract significant to the Company's business.

#### **Company secretary**

V Hames (appointed 24 September 2018, resigned 4 January 2019)  
NBS CoSec Limited (appointed 7 January 2019)

#### **Domicile**

The Company is a private company limited by shares. It is incorporated and domiciled in the United Kingdom and is registered in England and Wales. The registered office is Nationwide House, Pipers Way, Swindon, SN38 1NW.

#### **Going concern**

The Company is fully funded by its ultimate parent, Nationwide Building Society. Nationwide Building Society's Board of directors have confirmed that Nationwide Building Society will continue to fund the Company's activities for the foreseeable future. The foreseeable future is considered for this purpose to be a period of at least 12 months from the date of approval of the financial statements. Taking this into account, the directors have a reasonable expectation that the Company has adequate resources to continue in business for the foreseeable future.

#### **Risk overview**

The Company's principal exposure to risk relates to its business model whereby investments are made in early stage start-up businesses that do not necessarily have a proven business or product, and are therefore subject to a higher risk of failure compared with more established businesses. The Company's £1,049,921 of investments in equity shares are exposed to this business model risk. The principal control to manage this risk is the governance structure around the Fund which includes an Investment Committee to both approve new and review existing investments. As the portfolio of investments grows and diversifies the potential impact on the Company of this risk, and concentration risk, is mitigated.

The Company has minimal liquidity, funding and credit risk provided that the Company's parent, NBS Ventures Management Limited, continues to fund the Company's activities in accordance with its current funding arrangements. Assurance as to the continuance of these arrangements forms part of the going concern basis adopted in preparing the financial statements.

Further details of the Group's approach to liquidity and funding risk management are included in the Business and Risk Report of the Group's Annual Report and Accounts.

**NBS Ventures Limited**

**Directors' report for the period ended 31 March 2019 (continued)**

**Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK GAAP), including FRS 101.

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 GAAP standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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.

Approved by the Board of directors and signed on its behalf by

Director

10 December 2019

  
TONY PRESTEDGE

**NBS Ventures Limited**  
**Balance sheet as at 31 March 2019**

**Registered number: 11584733**

	Note	2019 £
<b>Fixed Assets</b>		
Investments	4	1,049,921
<b>Current assets</b>		
Amounts owed by Group undertaking	5	900,001
<b>Net assets</b>		<b>1,949,922</b>
<b>Capital and reserves</b>		
Called up share capital	6	1,949,922
<b>Total shareholders' funds</b>		<b>1,949,922</b>

For the period ending 31 March 2019 the Company reported no profit or loss or other comprehensive income.

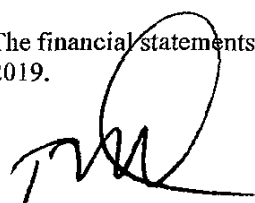
The notes on pages 7 to 11 form part of these financial statements.

For the period ending 31 March 2019, the Company was entitled to an exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the period in question in accordance with Section 476 of the Companies Act 2006.

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

The financial statements on pages 5 to 11 were approved by the Board of directors on 10 December 2019.

  
Director TONY FITZGERALD

**NBS Ventures Limited**

**Statement of changes in equity for the period ended 31 March 2019**

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
At 24 September 2018	-	-	-
<b>Shares issued</b>	<b>1,949,922</b>	-	<b>1,949,922</b>
<b>At 31 March 2019</b>	<b>1,949,922</b>	-	<b>1,949,922</b>

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

## **NBS Ventures Limited**

### **Notes to the financial statements for the period ended 31 March 2019**

#### **1 Statement of accounting policies**

##### **Basis of preparation**

These financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention. As stated in the Directors' report, the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. Accounting policies have been consistently applied in preparing these financial statements.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 134-136 of International Accounting Standard (IAS) 1 'Presentation of Financial Statements';
- the requirements of IAS 7 'Statement of Cash Flows';
- the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' with regard to financial instruments that are not measured at fair value; and
- the requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement' with regard to financial instruments that are not measured at fair value.

##### **a) Financial assets**

Financial assets comprise investments in equity shares and amounts due from Group undertakings.

##### **Recognition and derecognition**

All financial assets are recognised initially at fair value. Purchases and sales of financial assets are accounted for at trade date. Financial assets acquired through a business combination or portfolio acquisition are recognised at fair value at the acquisition date. Financial assets are derecognised when the rights to receive cash flows have expired or where the assets have been transferred and substantially all the risks and rewards of ownership have been transferred.

The fair value of a financial asset on initial recognition is the transaction price (plus directly attributable transaction costs for financial assets which are not subsequently measured at fair value through profit or loss).



**1 Statement of accounting policies (continued)**

**a) Financial assets (continued)**

*Investments in equity securities – classification*

Equity investments that are not held for trading, and for which an irrevocable election is made upon recognition, are classified and measured at fair value through other comprehensive income (FVOCI). All of the Company's equity investments are held at FVOCI.

IFRS 13 'Fair Value Measurement' requires an entity to classify assets held at fair value according to a hierarchy that reflects the significance of observable market inputs in calculating those fair values. Level 3 within this hierarchy comprises assets whose valuation incorporates significant inputs that are not based on observable market data ('unobservable inputs').

Instruments move between fair value hierarchies primarily due to increases or decreases in market activity or changes to the significance of unobservable inputs to valuation.

All equity investments held by the Company are classified as Level 3.

Further details of the IFRS 13 'Fair Value Measurement' hierarchy can be found in the Group's Statement of accounting policies in its Annual Report and Accounts and on Nationwide Building Society's website at [nationwide.co.uk](http://nationwide.co.uk)

*Investments in equity securities – subsequent measurement*

*Valuation*

The Company invests in early stage start-up businesses and the investment provided by the Company typically supports operational costs and development of go-to-market propositions. The investments are held at fair value under IFRS 13. Fair value is initially taken to be the transaction price at the date of the initial investment. Subsequent fair valuations, in line with industry practice, look to consider quantitative and qualitative changes that have taken place since the date of the original investment. In the absence of significant changes since the date of acquisition, fair value is considered to be the acquisition price.

As the investments develop beyond the early stage to have proven product offerings, additional information, including discounted cashflow techniques, can be incorporated into the fair valuation methodology.

*Changes in value*

Unrealised gains and losses arising from changes in value are recognised in other comprehensive income.

Cumulative gains or losses arising on sale will be recognised in other comprehensive income and will not be recycled through the income statement.

**NBS Ventures Limited**

**Notes to the financial statements for the period ended 31 March 2019 (continued)**

**1 Statement of accounting policies (continued)**

**a) Financial assets (continued)**

*Amounts due from Group undertakings– classification and subsequent measurement*

Financial assets held to collect contractual cash flows and where contractual terms comprise solely payments of principal and interest (SPPI) are classified as amortised cost. This category of financial assets includes amounts due from Group undertakings.

Financial assets within this category are classified as amortised cost and are recognised when the funds are advanced to borrowers. After initial recognition, the assets are measured at amortised cost using the effective interest rate method, less provisions for expected credit losses.

**b) Impairment of financial assets**

The Company assesses all financial instruments within scope of IFRS 9 expected credit loss (ECL) requirements and where appropriate recognises an impairment provision. Financial assets within the scope of IFRS 9 are amounts due from Group undertakings.

**c) Taxation**

Current tax payable on profits will be recognised as an expense in the period in which profits arise.

**d) Share capital**

Ordinary shares, net of directly attributable issue costs, are classified as equity.

Dividends paid on ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the directors.

**2 Judgements in applying accounting policies and critical accounting estimates**

The preparation of the Company's financial statements involves management making judgements and estimates when applying those accounting policies that affect the reported amounts of assets, liabilities, income and expense. Actual results may differ from those on which management's estimates are based. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

The most significant sources of estimation uncertainty made by management in applying the Company's accounting policies, which are deemed critical to the Company's results and financial position, relate to the valuation of unquoted equity investments. These accounting estimates include areas of significant judgement.

**3 Dividends**

No dividends were proposed, approved or paid during the year.

**NBS Ventures Limited**

**Notes to the financial statements for the period ended 31 March 2019 (continued)**

**4 Investments**

	2019 £
<b>Fair value through other comprehensive income</b>	
Bunk App Limited	150,001
Hub Holdings Limited	899,920
<b>Total</b>	<b>1,049,921</b>

All equity investments held by the Company have been designated to be measured at fair value through other comprehensive income.

All equity investments held were acquired during the reporting period and there has been no change in value or derecognition of the investments in that period.

In the absence of a liquid market, and a lack of observable inputs due to the infancy of the businesses invested in, the Company considered the acquisition price, in addition to qualitative inputs, when valuing these early stage start-up investments. The Company concluded that, in the absence of significant qualitative changes since the date of acquisition, the acquisition price reflected the fair value at the period end.

All equity investments have been classified as Level 3 in the fair value hierarchy throughout the reporting period.

**5 Amounts owed by Group undertakings**

Amounts are owed by the immediate parent undertaking and are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

There are no provisions recognised for expected credit losses recognised against the amounts owed by Group undertakings the at period end.

**6 Called up share capital**

	2019 £
<b>Issued and fully paid:</b>	
1,949,922 ordinary shares of £1 each	1,949,922

**7 Events after the reporting period**

After the balance sheet date the Company made additional equity investments in early stage start-up businesses totalling £4,727,546.

## **NBS Ventures Limited**

**Notes to the financial statements for the period ended 31 March 2019 (continued)**

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### **8 Parent undertaking and ultimate controlling party**

The Company is a wholly owned subsidiary of NBS Ventures Management Limited, its immediate parent company, which is registered in England and Wales. The ultimate parent and controlling party is Nationwide Building Society, which is a building society incorporated and registered in England and Wales.

The results of NBS Ventures Limited are included in the consolidated financial statements of Nationwide Building Society, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Nationwide Building Society is registered at Nationwide House, Pipers Way, Swindon, SN38 1NW. The Group's Annual Report and Accounts can be obtained from this address or at [nationwide.co.uk](http://nationwide.co.uk)