

Company Registration No. 04705868 (England and Wales)

AGENCI LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019
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COMPANIES HOUSE

AGENCI LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	3		36,496		23,900
Tangible assets	4		3,615		11,839
			<u>40,111</u>		<u>35,739</u>
Current assets					
Debtors	5	332,463		297,897	
Cash at bank and in hand		26,997		34,150	
		<u>359,460</u>		<u>332,047</u>	
Creditors: amounts falling due within one year	6	<u>(87,591)</u>		<u>(188,254)</u>	
Net current assets			<u>271,869</u>		<u>143,793</u>
Total assets less current liabilities			<u>311,980</u>		<u>179,532</u>
Provisions for liabilities	7		<u>(6,819)</u>		<u>(6,076)</u>
Net assets			<u><u>305,161</u></u>		<u><u>173,456</u></u>
Capital and reserves					
Called up share capital	8		119		119
Share premium account			19,985		19,985
Profit and loss reserves			<u>285,057</u>		<u>153,352</u>
Total equity			<u><u>305,161</u></u>		<u><u>173,456</u></u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2019 the company was entitled to 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 year in question in accordance with section 476.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

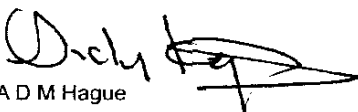
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

AGENCI LIMITED

Company Registration No. 04705868

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

The financial statements were approved by the board of directors and authorised for issue on 23 March 2021 and are signed on its behalf by:


A D M Hague
Director

AGENCI LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Agenci Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Venture West, Greenham Business Park, Greenham, Thatcham, RG19 6HX.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the adoption of the amendments issued in December 2017 ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

Going concern

The company made an operating profit of £0.1m for the period to 31 December 2019 and had net current assets of £0.3m at 31 December 2019.

The group, that the company is part of, made an operating profit of £2.0m before goodwill amortisation for the period ended 31 December 2019, had net current liabilities of £17.6m at 31 December 2019 and net liabilities of £12.1m, including long term shareholder held debt of £26.4m, at the same date.

The group meets its working capital requirements, and services bank debt, from cash flows generated from operations, with revolving banking facilities of £3m also available. The bank debt facilities include a £14.9m loan repayable in full at maturity in August 2024 with interest paid quarterly. Interest can be rolled up by the group on all shareholder debt.

In evaluating the going concern assumption, the directors have prepared cash flow forecasts for the period to 31 March 2022 and compared these, together with a range of sensitivities, to the available bank facilities and the related covenant requirements.

One of the banking covenants was not met at 30 June 2020 and 30 September 2020 because of the impact of reduced trading in the period from March to June 2020, which will continue to affect annualised financial measures included in the covenant calculations. The group's banks waived compliance with the missed covenant tests, and have agreed revised covenants from December 2020. Improved trading is anticipated to enable compliance with all covenants in the forecasts for future testing periods.

The group's businesses were able to substantially continue operating during the full lockdown, with continuing demand for hosting and cybersecurity consulting services. The businesses have seen continued increasing demand for its services once measures were eased, which gives the directors confidence that a significant degree of fluctuation and further lock downs can be managed and will not result in a major decline in turnover, EBITDA or cash. In addition, a significant proportion of the group's revenues are contracted into 2022. The sensitivities applied to the forecasts demonstrate sufficient covenant headroom and a number of actions are within the control of directors, including deferral of capital expenditure, which can further increase the headroom or mitigate any declines. In addition, the directors are confident the bank will continue to support the group, noting that the facilities also allow for shareholders to provide additional equity injections to remedy covenant breaches, in the event that they may be required.

AGENCI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Going concern (continued)

After consideration of the forecasts and sensitivities and the range of support available, the directors conclude the level of uncertainty connected with the ongoing Covid-19 pandemic is not significant. As a result, the directors have a reasonable expectation that the group will be able to continue to meet its liabilities as they fall due for the foreseeable future and it is therefore appropriate to prepare the financial statements on a going concern basis.

Reporting period

The company has drawn up the accounts for current period for the year ended 31 December 2019, in line with company law allowing the accounts to be drawn up to within 7 days of the accounting reference date. The comparative financial statements are for the period 1 June 2018 to 31 December 2018. The accounting period was shortened last year to bring it into line with the parent company's year end. As the current and prior periods are different lengths, the comparative figures are not entirely comparable.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts and settlement discounts.

Turnover is recognised when the risks and rewards of services have been provided and ownership has been transferred to the customer. Turnover is adjusted for any income received in advance which is treated as deferred income with creditors.

Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Website costs

3 years on cost per annum

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in the statement of income.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment

10% reducing balance and 33.33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the statement of income.

Residual value is calculated on the price prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

AGENCI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial instruments

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

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, loans to fellow group companies and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of income.

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

AGENCI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the statement of income, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Retirement benefits

For defined contribution schemes the amount charged to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2018 - 6).

AGENCI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

3 Intangible fixed assets

	Website costs £
Cost	
At 1 January 2019	23,900
Additions	21,000
	<hr/>
At 31 December 2019	44,900
	<hr/>
Amortisation and impairment	
At 1 January 2019	-
Amortisation charged for the year	8,404
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At 31 December 2019	8,404
	<hr/>
Carrying amount	
At 31 December 2019	36,496
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At 31 December 2018	23,900
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4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2019	26,684
Additions	889
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At 31 December 2019	27,573
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Depreciation and impairment	
At 1 January 2019	14,845
Depreciation charged in the year	9,113
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At 31 December 2019	23,958
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Carrying amount	
At 31 December 2019	3,615
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At 31 December 2018	11,839
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AGENCI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

5 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	71,791	117,394
Amounts owed by group undertakings	254,856	180,000
Other debtors	5,816	503
	<u>332,463</u>	<u>297,897</u>

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	27,030	1,185
Amounts owed to group undertakings	31,218	40,340
Corporation tax	-	86,715
Other taxation and social security	14,506	39,156
Other creditors	14,837	20,858
	<u>87,591</u>	<u>188,254</u>

7 Provisions for liabilities

	2019 £	2018 £
Deferred tax liabilities	<u>6,819</u>	<u>6,076</u>

8 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid		
119 Ordinary shares of £1 each	<u>119</u>	<u>119</u>
	<u>119</u>	<u>119</u>

9 Financial commitments, guarantees and contingent liabilities

Palatine Private Equity Fund II LLP holds a fixed and floating charge over the assets of the company and a negative pledge in respect of borrowings in Cyberfort Bidco Limited, its parent company.

AGENCI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

10 Events after the reporting date

The COVID-19 outbreak that has occurred since the financial year end has the potential to impact on the financial position of the company during 2020/2021. Notwithstanding the uncertainties that exist around the outbreak, the current level of cash reserves held by the company has satisfied the Directors that it has adequate resources to deal with the impact of the outbreak as it unfolds. The COVID-19 pandemic has been treated as a non-adjusting post balance sheet event.

11 Related party transactions

At the 31 December 2019, a director of the company who resigned on 16 July 2019 was owed £1,081 (2018: £1,081).

During the year the company made sales of £7,000 (period ended 31 December 2018: £18,000) to Palatine Private Equity Fund II LLP, the company's ultimate controlling party. At the year end the company was owed £8,400 (2018: £21,600) by Palatine Private Equity Fund II LLP.

12 Parent company

The company is a wholly owned subsidiary of Cyberfort Bidco Limited. The company's ultimate parent undertaking is Cyberfort Group Limited. Both companies are registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Cyberfort Group Limited. Copies of these financial statements are available from the registered office, Venture West Greenham Business Park, Greenham, Thatcham, Berkshire, RG19 6HX.

The ultimate controlling party is considered to be Palatine Private Equity Fund II LLP.