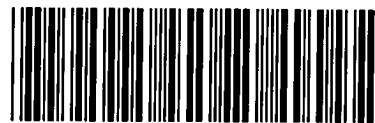


Vigilis (Holdings) Limited
Registered number: 09825851

Annual report and financial statements
for the year ended 31 December 2019

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Vigilis (Holdings) Limited

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Vigilis (Holdings) Limited

Directors' report

Vigilis (Holdings) Limited was incorporated on 15 October 2015.

Directors

The directors, who are serving except as noted, were as follows:

Gary Burke

Jonathan Matthews

Ian Clark

Magenta Partners LLP

Tyron Moses

appointed 1 October 2019

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and 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 ought to have taken as a director in order to make himself 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.

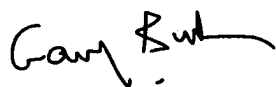
A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

During the current year the Group incurred certain one-off payments made to shareholders and senior management. These costs have been included under administrative costs. It is not anticipated these costs will be incurred again. The below table shows the adjusted operating profit excluding these one-off costs.

	£
Reported operating profit	2,322,350
Once off expenses	707,471
Adjusted Operating Profit	3,029,821

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

Approved by the Board and signed on its behalf by:



Gary Burke

Director

Date: 23 April 2020

20 St. Dunstan's Hill

London

EC3R 8HL

Vigilis (Holdings) Limited
Directors' responsibility statement
For the year ended 31 December 2019

The directors are responsible for preparing the financial statements in accordance with applicable 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 section 1A. 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; 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.

Vigilis (Holdings) Limited

Independent auditor's report to the members of Vigilis (Holdings) Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Vigilis (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss statement;
- the consolidated and parent company balance sheets;
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

Vigilis (Holdings) Limited

Independent auditor's report to the members of Vigilis (Holdings) Limited

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Vigilis (Holdings) Limited

Independent auditor's report to the members of Vigilis (Holdings) Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'AK', with a stylized flourish extending from the end.

Adam Knight FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Vigilis (Holdings) Limited
Consolidated profit and loss account
For the year ended 31 December 2019

	Notes	<u>2019</u> <u>£</u>	<u>2018</u> <u>£</u>
Turnover	3	9,481,794	4,452,517
Administrative costs		<u>(7,159,444)</u>	<u>(5,606,280)</u>
Operating profit/(loss)		2,322,350	(1,153,763)
Interest payable and similar charges		<u>(2,203,536)</u>	<u>(1,119,390)</u>
Profit/(loss) before taxation	4	118,814	(2,273,153)
Taxation	15	(106,658)	0
Profit/(loss) for the financial year		<u>12,156</u>	<u>(2,273,153)</u>

The Group has no comprehensive income other than the amounts recognised in the consolidated profit and loss account above. Accordingly no consolidated statement of comprehensive income has been presented. All amounts relate to continuing operations.

There are no recognised gains or losses other than the loss for the year.

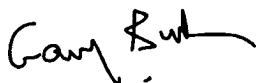
The notes on pages 9 to 19 form part of these consolidated financial statements.

Vigilis (Holdings) Limited
Consolidated balance sheet
At 31 December 2019

	Notes	2019 £	2018 £
Non-current assets			
Intangible assets	7	2,578,401	2,728,010
Tangible assets	8	75,434	26,446
Investments		0	0
Total non-current assets		2,653,835	2,754,456
Current assets			
Debtors amounts falling due within one year	9	233,559	433,683
Cash at bank and in hand	10	3,477,885	1,578,161
		3,711,444	2,011,844
Creditors: amounts falling due within one year	11	(4,274,782)	(2,559,147)
Net current assets		(563,339)	(547,303)
Total assets less current liabilities		2,090,497	2,207,153
Creditors: amounts falling due after more than one year	12	(9,462,006)	(9,590,819)
Net assets		(7,371,509)	(7,383,667)
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	13	(7,371,510)	(7,383,667)
Total capital and reserves		(7,371,509)	(7,383,666)

The financial statements have been prepared and delivered in accordance with the provisions applicable to small companies within part 15 of the Companies Act 2006.

The financial statements were approved by the board and were signed on its behalf on 23 April 2020.



Gary Burke
Director

Vigilis (Holdings) Limited

Registration number: 09825851

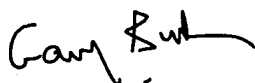
Company balance sheet

At 31 December 2019

	Notes	2019 £	2018 £
Non-current assets			
Intangible assets	7	54,359	51,653
Tangible assets	8	71,482	26,261
Investments		150,000	1,409,835
Total non-current assets		275,841	1,487,749
Current assets			
Debtors amounts falling due within one year	9	4,032,735	3,417,436
Cash at bank and in hand	10	725,832	190,015
		4,758,567	3,607,451
Creditors: amounts falling due within one year	11	(4,031,321)	(2,511,851)
Net current assets		727,246	1,095,600
Total assets less current liabilities		1,003,087	2,583,349
Creditors: amounts falling due after more than one year	12	(9,462,006)	(9,590,819)
Net assets		(8,458,919)	(7,007,470)
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	13	(8,458,920)	(7,007,471)
Total capital and reserve		(8,458,919)	(7,007,470)

The financial statements have been prepared and delivered in accordance with the provisions applicable to small companies within part 15 of the Companies Act 2006.

Approved by the board and were signed on its behalf on 23 April 2020.



Gary Burke
Director

Vigilis (Holdings) Limited
Notes to the financial statements
For the year ended 31 December 2019

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

a. General information and basis of accounting

Vigilis (Holdings) Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is 20 St. Dunstan's Hill, London, EC3R 8HL.

The principle activity of the group and the Company is that of insurance intermediation.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Company has elected to apply the small entities regime and prepare its financial statements in accordance with Section 1A of FRS 102.

The functional currency of Vigilis (Holdings) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling and are rounded to the nearest whole pounds sterling, except where otherwise indicated.

Vigilis (Holdings) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement, strategic report, related party transactions and remuneration of key management personnel.

b. Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

c. Going concern

The Group's forecasts and projections, taking account of reasonable possible change in trading performance, show that the Group should be able to operate within the level of its current facilities. The Group is currently operating in line with the cashflow forecast and therefore that it is appropriate to prepare the financial statements on a going concern basis.

The Group has considered in detail the developing COVID-19 situation and have modelled a number of reasonable foreseeable scenarios which do not suggest that it will impact the group's ability to meet its current cashflow requirements and will continue to be profitable. More details regarding management's assessment is in note 20.

d. Intangible assets – research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit. Intangible assets consist of computer software development and is written off on a straight-line basis over five years. Provision is made for any impairment.

Vigilis (Holdings) Limited

Notes to the financial statements

For the year ended 31 December 2019

e. Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and recognised impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Computer Hardware	4 years
Leasehold improvements	3 years (over the lease term of lease)

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

f. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments in subsidiaries

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(ii) Cash and equivalents

Cash and equivalents comprise cash in hand and deposits which are readily available and which are subject to insignificant risk changes in value and have an original maturity of three months or less at acquisition. The carrying amount of cash and cash equivalents is approximately to fair value.

(iii) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(iv) Creditors

Short term creditors are measured at transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Vigilis (Holdings) Limited

Notes to the financial statements

For the year ended 31 December 2019

(v) Insurance intermediary assets and liabilities

Insurance intermediaries usually act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions.

In recognition of this relationship, debtors from insurance broking transactions are not included as an asset of the Company. Other than the receivable for revenue not yet received for fees and commissions earned on a transaction ('Uncollected Brokerage'), no recognition of the insurance transaction occurs.

Acting as agent, Vigilis (Holdings) limited does not meet the definition of a financial institution under FRS 102 and accordingly has taken relief from providing additional disclosure in accordance with FRS 102.34.17-33.

The accounting policy has changed from last year from showing amounts due from clients and amounts due to insurers separately as this is a more accurate reflection of these balances.

g. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

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

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

h. Turnover

Turnover comprises net commission and fees receivable on business inception during the period. Any adjustments to commission arising from premium additions or reductions are recognised as and when they are notified to the Group.

i. Employee benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

j. Leases

The Group as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Vigilis (Holdings) Limited
Notes to the financial statements
For the year ended 31 December 2019

k. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

m. Insurance intermediary assets and liabilities

Some of the group subsidiaries act as underwriting agents and as such are insurance intermediaries. Insurance intermediaries, generally are not liable as principals for the amount arising from such transactions. As such, insurance liability balances are shown net of the related insurance debtors to the extent to which the group bears no risk.

2. Critical accounting judgements

In the application of the Company's accounting policies, which are described in note 1, 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 following are the critical judgements, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Useful lives of intangible and tangible assets

The Group estimates the useful lives of intangible and tangible assets, based on the period over which the assets are expected to be available for use. The estimated useful lives of intangible and tangible assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets.

Vigilis (Holdings) Limited
Notes to the financial statements
For the year ended 31 December 2019

3. Turnover

The turnover of the Group for the year has been derived from its principal activity, providing services as an insurance intermediary.

Analysis of the Groups turnover by type is as follows:

	2019	2018
	£	£
Net commissions and fees	6,661,883	2,913,301
Profit commission	35,229	0
Management service fees to related and group companies	<u>2,784,682</u>	<u>1,539,216</u>
Turnover	<u>9,481,794</u>	<u>4,452,517</u>

4. Loss before taxation

Profit/(Loss) before taxation is stated after charging/(crediting):

	2019	2018
	£	£
Administration expenses:		
Staff costs and directors emoluments	4,331,779	2,827,850
Premises	433,611	489,504
Marketing and T&E	512,407	409,553
IT costs	443,662	335,004
Consulting and legal expenses	317,254	153,218
Depreciation and amortisation	615,110	513,280
Other costs	<u>505,621</u>	<u>877,871</u>
	<u>7,159,444</u>	<u>5,606,280</u>

Other items:

Finance costs - interest, costs and fees on loans	2,203,536	1,119,390
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The analysis of the auditor's remuneration is as follows:

Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	18,000	26,021
The audit of the company's subsidiaries	18,000	11,479
Total audit fees	<u>36,000</u>	<u>37,500</u>
Taxation compliance services	0	0
Total non-audit fees	<u>0</u>	<u>0</u>

Vigilis (Holdings) Limited
Notes to the financial statements
For the year ended 31 December 2019

5. Staff numbers and costs

The average number of employees, including directors, during the year was 46 (2018: 26).

	2019	2018
	£	£
Wages and salaries	3,725,753	2,412,912
National insurance costs	442,313	267,554
Pension costs	163,713	147,384
	4,331,779	2,827,850

6. Director emoluments

	2019	2018
	£	£
Wages and salaries	866,182	437,442
National insurance costs	108,980	51,933
Pension costs	4,275	14,727
	979,437	504,102

The emoluments shown above reflect the total emoluments received by the directors for services relating to the Company and other companies in the Vigilis (Holdings) Limited Group and to related party companies in the Eaton gate Holdings Limited Group. Emoluments are paid by the directors' employing company within the Group which, in the main, is Vigilis (Holdings) Limited. The remuneration costs are then subsequently recharged to Group and related companies.

7. Intangible fixed assets

	2019	2018
	£	£
Intangible fixed assets - Software Development costs		
Cost at beginning of the year	3,448,853	3,439,610
Additions	435,000	9,243
At end of the year	3,883,853	3,448,853
Amortisation		
At beginning of the year	720,843	235,529
Amortisation for the year	584,609	485,314
Impairment	0	0
At end of the year	1,305,452	720,843
Net book end of the year	2,578,401	2,728,010

Vigilis (Holdings) Limited
Notes to the financial statements
For the year ended 31 December 2019

8. Tangible fixed assets

	Equipment	Leasehold Improvements	Total
	£	£	£
Cost			
At 1 January 2019	62,261	22,681	84,942
Additions	79,489	0	79,489
Disposals	0	0	0
At 31 December 2019	141,750	22,681	164,431
Depreciation			
At 1 January 2019	37,730	20,766	58,496
Depreciation for the year	28,586	1,915	30,501
At 31 December 2019	66,316	22,681	88,997
Net book amount at 31 December 2019	75,434	0	75,434
Net book amount at 1 January 2019	24,531	1,915	26,446

9. Debtors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Prepayments	124,013	340,557	124,013	339,093
Deposits	109,546	93,126	104,664	90,744
Loan to subsidiary	0	0	3,804,058	2,987,599
	233,559	433,683	4,032,735	3,417,436

10. Cash at bank and in hand

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank	736,074	239,569	725,832	190,015
Restricted funds	2,741,811	1,338,592	0	0
	3,477,885	1,578,161	725,832	190,015

Restricted funds consist of insurance funds due to insurers.

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11. Creditors: amounts falling due in one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	2,817,017	242,833	2,815,214	242,015
Accruals	400,260	68,569	265,260	22,091
Corporate tax	106,658	0	0	0
Loan from related party	950,847	2,247,745	950,847	2,247,745
	4,274,782	2,559,147	4,031,321	2,511,851

12. Creditors: amounts falling due after one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loan	1,536,067	0	1,536,067	0
Debenture loan note	7,925,939	6,619,390	7,925,939	6,619,390
Trade creditors	0	2,971,429	0	2,971,429
	9,462,006	9,590,819	9,462,006	9,590,819

Bank loan attracts interest at a rate of 7% plus 3- month Libor payable quarterly. 50% of the loan shall be repaid in equal quarterly instalments commencing on the first anniversary of advance with a bullet repayment in October 2024. The total bank loan facility is £3,000,000.

Debenture loan note attracts an interest rate of 25%. There are no fixed repayment terms.

13. Called-up share capital and reserves

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Authorised share capital				
1 ordinary share of 1 each	1	1	1	1
Allotted, called-up and fully paid				
1 ordinary shares of 1 each	1	1	1	1

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The Group and Company's other reserves are as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Profit and loss account balance beginning of the year	(7,383,667)	(5,110,514)	(7,007,471)	(4,708,491)
Profit/(loss) for the year	12,156	(2,273,153)	(1,451,448)	(2,298,980)
Profit and loss account balance end of the year	(7,371,510)	(7,383,667)	(8,458,919)	(7,007,471)

14. Investment in subsidiary

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Subsidiary undertakings	0	0	150,000	1,409,835

The decrease is due the recording of the intercompany loan changing from amortised cost basis in prior year to held at cost in the current year.

The parent Company has investments in the following subsidiary undertakings.

Name of undertaking and country of incorporation	Parent Company	Class of Share	% held
Vigilis Services Limited - Gibraltar	Vigilis (Holdings) Limited	Ordinary	100

15. Tax on loss from ordinary activities

	2019	2018
	£	£
Current tax		
Gibraltar corporation tax	106,658	0
UK corporation tax	0	0
Deferred tax	0	0
Total tax on loss on ordinary activities	106,658	0

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Tax rate reconciliation

	2019	2018
	£	£
Profit/(loss) on ordinary activities before tax	118,814	(2,273,153)
Tax on loss on ordinary activities at standard tax rate of 19%	22,575	(431,899)
Foreign tax rate differential	136,762	871,288
Accelerated capital allowances	13,110	(70)
Deferred tax credits not utilised	(2,310)	(436,806)
Tax loss utilised	(63,479)	(2,513)
Total tax credit for the year	106,658	0

16. Employee benefits

Defined contribution schemes

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the year ended 31 December 2019 was £163,713 (2018: £147,384).

17. Share based payments

During the year the Company granted share options to senior management of the Company as part of a long term incentive scheme. The share options were issued at a strike price equal to the nominal value of the shares. The share options will be exercisable in the event of a floatation, a sale of the controlling stake in the company or a sale of the company's business.

As at 31 December 2020 the Company had granted options equal to 5.6% (2019: 0%) equity of the Company under an Enterprise Management Incentive Plan.

The fair value of the shares are based on the Company's current value using a PE Multiple of prior and forward looking EBITDA less outstanding debt of the Company. During the year the share options granted were valued at £156,433 (2019:£Nil).

These share option grants were accounted for in accordance with FRS 102 as cash settled share based payments and will be revalued at each balance sheet date and recognised as a liability, with the movement being recognised as an administration cost within the profit and loss account.

18. Related party transaction

The Company has taken advantage of the exceptions in FRS 102 which exempts the reporting of transactions between group companies in the financial statements of companies that are wholly within the group.

During the period the Group received management service fees of £2,784,682 (2018: £1,539,216) from Eaton Gate (Holdings) Limited and its subsidiaries which has a common director (Gary Burke).

At 31 December 2019 there is a loan payable to Eaton Gate (Holdings) Ltd of £686,552 (2018: £2,247,745)

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19. Controlling party

Gary Burke, a director of the Company, controls the Company as a result of holding the majority of the issued share capital of the Company.

20. Subsequent events

Increase in bank loan facility

On February 4, 2020 the Investec loan facility was increased from £3.0 million to £7.5 million with the same settlement and interest rate. A total of £4.8 million has been subsequently drawn down.

COVID-19 Virus pandemic

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In the UK business are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closure of non-essential services have triggered significant disruption to business, resulting in an economic slowdown.

We have considered in detail the developing COVID-19 situation and have modelled some reasonable scenarios which may impact the operations and performance of the Group. These models consider the impact on the following main areas of the Company,

- Key business data,
- IT control environment,
- Operational and financial disruptions,
- Regulatory and legal frameworks,
- Liquidity and working capital.

Our modelling does not suggest that we will be severely impacted and does not cast doubt on the Company's ability to continue as a going concern.

The Company has determined that these events are a non-adjusting subsequent event. Accordingly, the Balance sheet and Profit loss statement have not been adjusted to reflect this impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear currently. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the results of the Company for future periods.