

PROGILITY FINCO LIMITED
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020
PAGES FOR FILING WITH REGISTRAR

PROGILITY FINCO LIMITED

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PROGILITY FINCO LIMITED

BALANCE SHEET

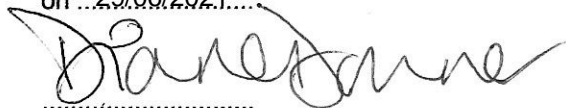
AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	5	4,344,436		25,590,237	
Cash at bank and in hand		386,523		14	
		<u>4,730,959</u>		<u>25,590,251</u>	
Creditors: amounts falling due within one year	6	(4,295,728)		(11,475,975)	
Net current assets			435,231		14,114,276
Creditors: amounts falling due after more than one year	7		-		(14,243,848)
Net assets/(liabilities)			<u>435,231</u>		<u>(129,572)</u>
Capital and reserves					
Called up share capital			1,000		1,000
Profit and loss reserves			434,231		(130,572)
Total equity/(deficit)			<u>435,231</u>		<u>(129,572)</u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" as amended by Section 1A "Small Entities".

The financial statements on page 1 to 7 were approved and signed by the director and authorised for issue on ...29/06/2021....



D C Donner
Director

Company Registration No. 09097193

PROGILITY FINCO LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2020

1 General information

Progility Finco Limited is private company limited by shares incorporated in England and Wales (registered number 09097193). The registered office is 86-90 3rd Floor, Paul Street, London, EC2A 4NE.

2 Accounting policies

2.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Progility Limited. These consolidated financial statements are available from its registered office, 86-90 3rd Floor, Paul Street, London, EC2A 4NE.

2.2 Going concern

The financial statements have been prepared on the going concern basis, net assets of £435,231 (2019: net liabilities of £129,572), which the director believes to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by its fellow group companies and parent on being able to receive funds in respect of amounts due from group undertakings.

DNY Investments Limited, the company's ultimate parent company (with effect from 31 December 2019), has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company.

The director considers that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

PROGILITY FINCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

2 Accounting policies

(Continued)

2.3 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, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

2.4 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income and allocated to periods over the term of the debt at a constant rate on the carrying amount.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.7 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.

2.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.9 Creditors

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

2.10 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 in the company's balance sheet 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.

PROGILITY FINCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

2 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.11 Equity instruments

Equity instruments issued by the company are recorded at the 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.

2.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PROGILITY FINCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

2 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.13 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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.14 Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4 Employees

The average monthly number of persons (including the director) employed by the company during the year was: 3 (2019: 1 including the director).

The director received total remuneration of £84,000 which was invoiced via a third party service company. Full details are included in note 8.

PROGILITY FINCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts owed by group undertakings	3,164,056	25,588,862
Amounts owed by related parties	1,141,437	-
Prepayments and accrued income	1,960	1,375
Other debtors	36,983	-
	<u>4,344,436</u>	<u>25,590,237</u>

Amounts due from group undertakings are both interest and non-interest bearing and repayable on demand.

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	30,483	3,000
Amounts owed to related parties	244,617	-
Other taxation and social security	5,377	35,404
Accruals and deferred income	65,908	11,437,571
Other loans	3,949,343	-
	<u>4,295,728</u>	<u>11,475,975</u>

Interest is charged on the loan notes at 12% and is repayable in quarterly instalments. Any unpaid interest is accrued.

7 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other loans	-	14,243,848

The other loans in the prior year are in respect of redeemable loans of 18% and 12%, both expiring during the financial year to June 2021.

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The audit report was signed on 29 June 2021 and the senior statutory auditor was Zara Dunster FCA, for and on behalf of Town & Forest.

PROGILITY FINCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

9 Related party transactions

The company has taken advantage of the exemption available in FRS 102 Section 33: Related Party Transactions, whereby it has not disclosed transactions with any wholly owned group undertakings.

At the balance sheet date, amounts due to Praxis Trustees Limited, as trustee of the DNY Trust, is £3,949,343 (2019: £25,677,666). The principal balance of £2,535,078 (2019: £14,243,847) is listed on the International Stock Exchange.

During the year the company received interest income of £922,709 with Progility Health Limited, £157,303 with Progility Overseas Limited and £52,130 from ILX Group Plc. Progility Health Limited, Progility Overseas Limited and ILX Group Plc are connected companies due to the same ultimate parent company, DNY Investments Limited. At the year end the company had a balance receivable of £1,141,437 due from Progility Overseas Limited and this is included within debtors.

During the year the company charged ILX Group Plc, a company connected by common control, £900,088 for management services and £52,130 relating to interest receivable. At the year end the company had a balance payable of £166,038 due to ILX Group Plc and this is included within creditors.

During the year the company charged Starkstrom Limited, a company connected by common control, £352,334 for management services. At the year end the company had a balance payable of £72,666 due to Starkstrom Limited and this is included within creditors.

During the year the company incurred recharges of £5,913 from Sue Hill Recruitment & Services Limited. The two companies are connected by virtue of common control. At the year end the company had a balance payable of £5,913 due to Sue Hill Recruitment & Services Limited and this is included within creditors.

Key management compensation is deemed to be the remuneration paid to the director in the year (see note 4). This was invoiced via Broadhurst Associates Limited, a company connected via common directorship. Total amounts of £111,000 (inclusive of the director's remuneration) were charged to the company in the year. No amounts were outstanding at the year end.

10 Parent company

Prior to 31 December 2019, the company's ultimate parent company was Progility Limited, a company incorporated in England and Wales.

The immediate parent undertaking was Progility Limited, incorporated in England and Wales.

Praxis Trustees Limited, as trustee of the DNY Trust, held the majority of the shares of Progility Limited, and was therefore considered to be the ultimate controlling party.

As a result of group re-structure on 31 December 2019, the company's ultimate parent company is DNY Investments Limited, a company registered in Guernsey.

Praxis Trustees Limited, as trustee of the DNY Trust, held the majority of the shares of DNY Investments Limited, and is therefore considered to be the ultimate controlling party.

As at 30 June 2020 Progility Limited holds 100% of the shares of Progility Finco Limited and therefore Progility Limited is the immediate parent company. The parent undertaking of the largest group, which includes the company and for which group accounts are prepared, is Progility Limited. Copies of the group financial statements of Progility Limited are available from Companies House.