

**Company Registration No. 05964810**

**Agnentis Limited**

**Annual report and financial statements**

**31 March 2014**



# **Agnentis Limited**

## **Annual report and financial statements 2014**

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# **Agnentis Limited**

## **Annual report and financial statements 2014**

### **Officers and professional advisers**

#### **Directors**

S D Taylor

P Fry

#### **Registered office**

Unit 2 KCH Business Park

129-131 Coldharbour Lane

London

SE5 9NY

#### **Auditor**

Deloitte LLP

Chartered Accountants

St Albans

# **Agnentis Limited**

## **Directors' report**

The directors present their report with the financial statements of the Company for the year ended 31 March 2014.

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

### **Principal activity**

The principal activity of the Company in the year under review was that of software development and consultancy for the healthcare industry.

### **Principal risks and uncertainties**

There are no principal risks and uncertainties of which the Company is aware.

### **Political and charitable donations**

There have been no political or charitable contributions in the year (2013: £nil).

### **Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements. The ultimate parent company King's College Hospital NHS Foundation Trust, has committed to provide any financial support which may be necessary in order that the company can meet its liabilities and carry on trading without significant curtailment of operations for the foreseeable future. Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

### **Directors**

The directors, who served throughout the year, were as follows:

S D Taylor  
P Fry

### **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/she ought to have taken as a director in order to make himself/herself 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.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:

S D Taylor  
Director

22/12/2014

## **Agnentis Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report including 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 elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 year. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of Agnentis Limited**

We have audited the financial statements of Agnentis Limited for the year ended 31 March 2014 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on matters prescribed in the Companies Act 2006**

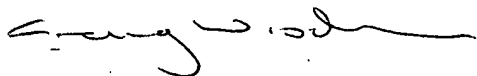
In our opinion the information in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Agnentis Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic report or in preparing the Directors' report.



Craig Wisdom (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
St Albans, United Kingdom

22/12/2014

## **Agnentis Limited**

### **Statement of comprehensive income Year ended 31 March 2014**

	Notes	2014 £	2013 £
Revenue	5	28,729	87,366
Administrative expenses		(28,904)	(50,453)
<b>Operating (loss)/profit</b>		<b>(175)</b>	<b>36,913</b>
Interest receivable and similar income	9	-	542
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(175)</b>	<b>37,455</b>
Tax charge for the year	10	-	-
<b>(Loss)/profit for the financial year</b>	14	<b>(175)</b>	<b>37,455</b>

The notes on pages 10 to 19 form part of these financial statements.

The Company's results for the year above are derived entirely from continuing activities and are wholly attributable to owners of the parent.

There are no items which would be recognised in a separate statement of comprehensive income other than the net loss for the year and therefore, the Company has adopted the approach allowable in IAS 1.81(a) to present one statement of comprehensive income.



# Agneentis Limited

## Statement of financial position As at 31 March 2014

	Notes	31 March 2014 £	31 March 2013 £	1 April 2012 £
<b>Current assets</b>				
Trade and other receivables	11	373,692	367,449	525,894
Cash and bank balances		12,153	20,605	37,309
		<u>385,845</u>	<u>388,054</u>	<u>563,203</u>
<b>Current liabilities</b>				
Trade and other payables	12	(103,629)	(105,663)	(318,267)
		<u>282,216</u>	<u>282,391</u>	<u>244,936</u>
<b>Net assets</b>				
<b>Capital and reserves</b>				
Called-up share capital	13	250,001	250,001	250,001
Retained earnings	14	32,215	32,390	(5,065)
		<u>282,216</u>	<u>282,391</u>	<u>244,936</u>
<b>Shareholders' funds</b>				
		<u>282,216</u>	<u>282,391</u>	<u>244,936</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements of Agneentis Limited, registered number 05964810 were approved by the Board of Directors on 22/12/2014.

Signed on behalf of the Board of Directors

S D Taylor  
Director

P Fry  
Director

## **Agnentis Limited**

### **Statement of changes in equity For the year ended 31 March 2014**

	<b>Called-up share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
<b>Balance at 1 April 2012</b>	250,001	(5,065)	244,936
Profit for the financial year	-	37,455	37,455
<b>Balance at 31 March 2013</b>	250,001	32,390	282,391
Loss for the financial year	-	(175)	(175)
<b>Balance at 31 March 2014</b>	<u>250,001</u>	<u>32,215</u>	<u>282,216</u>

## **Agnentis Limited**

### **Cash flow statement For the year ended 31 March 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Net cash used in operating activities</b>	<b>15</b>	<b>(8,452)</b>	<b>(16,704)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(8,452)</b>	<b>(16,704)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>20,605</b>	<b>37,309</b>
<b>Cash and cash equivalents at end of year</b>		<b>12,153</b>	<b>20,605</b>

# **Agnentis Limited**

## **Notes to the financial statements For the year ended 31 March 2014**

### **1. General information**

Agnentis Limited is a Company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

### **2. Adoption of new and revised standards**

The Company has changed its accounting framework from UK GAAP to IFRS.

In the current year, the following new and revised Standards and Interpretations have been adopted.

#### **Standards not affecting the reported results or the financial position**

In the current period, no new and revised Standards and Interpretations have been adopted that have affected the amounts reported in these financial statements.

<b>IFRS 13 Fair Value Measurement</b>	<p>The Company has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).</p> <p>IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.</p> <p>IFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Company has not made any new disclosures required by IFRS 13 for the 2012 comparative period and the application of IFRS 13 has not had any material impact on the amounts recognised in the financial statements.</p>
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## Agnentis Limited

### Notes to the financial statements (continued) For the year ended 31 March 2014

#### 2. Adoption of new and revised Standards (continued)

<p>Amendments to IAS 1 Presentation of Financial Statements</p> <p>(as part of the Annual Improvements to IFRSs 2009 - 2011 Cycle issued in May 2012)</p>	<p>The Annual Improvements to IFRSs 2009 - 2011 have made a number of amendments to IFRSs. The amendments that are relevant to the Company are the amendments to IAS 1 regarding when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. The amendments specify that a third statement of financial position is required when a) an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The amendments specify that related notes are not required to accompany the third statement of financial position.</p> <p>In the current year, the Company has applied a number of new and revised IFRSs (see the discussion above), however none have had a material effect on the financial statements.</p>
<p>Amendments to IFRS 7 Disclosures</p>	<p>The Company has applied the amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.</p> <p>As the Company does not have any offsetting arrangements in place, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the financial statements.</p>
<p>New and revised Standards on consolidation, joint arrangements, associates and disclosure</p>	<p>In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 (as revised in 2011) Separate Financial Statements and IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures. Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.</p> <p>In the current year, the Company has applied for the first time IAS 27 (as revised in 2011) Separate Financial Statements and IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures.</p> <p>None of the standards have had an impact on the financial statements.</p>

## **Agnentis Limited**

### **Notes to the financial statements (continued)** **For the year ended 31 March 2014**

#### **2. Adoption of new and revised Standards (continued)**

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9	<i>Financial Instruments</i>
IAS 27 (amendments)	<i>Investment Entities</i>
IAS 36 (amendments)	<i>Recoverable Amount Disclosures for Non-Financial Assets</i>
IAS 39 (amendments)	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IFRIC Interpretation 21	<i>Levies</i>

The directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Company in future periods.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

#### **3. Significant accounting policies**

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

##### **Basis of accounting**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRS adopted by the European Union. The Company has changed its accounting framework from United Kingdom Generally Accepted Accounting Principles (UK GAAP) to IFRS.

The financial statements have been prepared on the historical cost basis; historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

##### **Going concern**

At 31 March 2014 the Company has net assets of £282,216. The directors have undertaken a review of the financial position of the Company and consider the Company has sufficient resources to enable it to meet its liabilities as and when they fall due for payment. Therefore the financial statements have been prepared on the going concern basis. The ultimate parent company King's College Hospital NHS Foundation Trust, has committed to provide any financial support which may be necessary in order that the company can meet its liabilities and carry on trading without significant curtailment of operations for the foreseeable future.

## **Agnentis Limited**

### **Notes to the financial statements (continued)** **For the year ended 31 March 2014**

#### **3. Significant accounting policies (continued)**

##### **Basis of accounting (continued)**

##### **Revenue recognition**

###### ***Rendering of services***

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the service for the product sold, taking into account historical trends in the number of services actually provided on past goods sold;
- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses incurred; and
- Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

###### ***Interest revenue***

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

##### **Tax**

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 statement of comprehensive income 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 balance sheet date.

###### ***Deferred tax***

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilised.

##### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

## **Agnentis Limited**

### **Notes to the financial statements (continued)** **For the year ended 31 March 2014**

#### **3. Significant accounting policies (continued)**

##### ***Financial assets***

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

##### ***Loans and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### ***Financial liabilities and equity***

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

#### **4. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 3, 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 and the estimates and underlying assumptions are reviewed on an ongoing basis.

#### **5. Revenue**

Revenue is generated from the provision of software development and consultancy services for the healthcare industry.



## **Agnentis Limited**

### **Notes to the financial statements (continued)** **For the year ended 31 March 2014**

#### **6. Auditor's remuneration**

An analysis of the fees payable to the Company's auditor is as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	6,000	5,000
<b>Other services</b>		
Preparation of the financial statements	2,250	-
Tax compliance services	3,950	-
<b>Total fees</b>	<b>12,200</b>	<b>5,000</b>

The 2013 audit fee of £5,000 was a combined fee for audit, accounts preparation and tax compliance services. Further breakdown of the cost between each service is not available.

#### **7. Staff costs**

Staff are employed by the Company's parent undertaking and the portion of their services relating to the Company is recharged via a management charge.

#### **8. Directors' remuneration and transactions**

No directors' remuneration was paid by Agnentis Limited in the current year (2013: £nil).

#### **9. Interest receivable and similar income**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest	-	542

# Agnentis Limited

## Notes to the financial statements (continued) For the year ended 31 March 2014

### 10. Tax

	2014 £	2013 £
Corporation tax:		
Current year	-	-

No UK corporation tax was charged to the Company in the year which sustained a loss.

The charge for the year can be reconciled to the loss per the statement of comprehensive income as follows:

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	(175)	37,455
Tax on the Company loss on ordinary activities at standard UK corporation tax rate of 23% (2013: 24%)	(40)	8,989
Effects of:		
- Group relief surrendered	40	-
- Utilisation of tax losses carried forward	-	(8,989)
Tax credit for year	-	-

#### *Factors that may affect future current and total tax charges*

Unused trading losses carried forward of £3,200 have not been recognised as a deferred tax asset.

The UK corporation tax rate reflects the reduction in the UK corporation tax rate from 24% to 23% from 1 April 2013. The UK government has enacted future reductions in the main corporation tax rate to 21% by 1 April 2014 and to 20% by 1 April 2015.

### 11. Trade and other receivables

	2014 £	2013 £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	2,250	-
Other taxes and social security	977	-
Amounts owed by group undertakings	370,465	367,449
	373,692	367,449

# Agnentis Limited

## Notes to the financial statements (continued) For the year ended 31 March 2014

### 12. Trade and other payables

	2014 £	2013 £
Trade creditors	1,800	1,243
Accruals and deferred income	12,200	5,000
Other creditors	38	1,266
Taxation and social security	-	14,537
Amounts owed to group undertakings	89,591	83,617
	<u>103,629</u>	<u>105,663</u>

### 13. Called-up share capital

	2014 £	2013 £
Authorised, issued and fully paid 250,001 ordinary shares of £1 each	<u>250,001</u>	<u>250,001</u>

The Company has one class of ordinary shares which carry no right to fixed income.

### 14. Retained earnings

	Year ended 31 March 2014 £
At 1 April 2013	32,390
Loss for the financial year	(175)
Balance at 31 March 2014	<u>32,215</u>

# **Agnentis Limited**

## **Notes to the financial statements (continued)** **For the year ended 31 March 2014**

### **15. Notes to the cash flow statement**

	<b>Year ended 31 March 2014 £</b>	<b>Year ended 31 March 2013 £</b>
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(175)</b>	<b>37,455</b>
(Increase)/decrease in receivables	(6,243)	158,445
Decrease in payables	(2,034)	(212,604)
<b>Cash used in operations</b>	<b>(8,277)</b>	<b>(54,159)</b>
<b>Net cash used in operating activities</b>	<b>(8,452)</b>	<b>(16,704)</b>

### **16. Financial instruments**

#### **Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2013.

The group is not subject to any externally imposed capital requirements.

#### **Significant accounting policies**

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

#### **Fair value of financial instruments**

The fair values of all financial assets and financial liabilities shown in the balance sheet are equal to their carrying amounts at 31 March 2014.

#### **Financial risk management objectives**

The group's activities expose it to a variety of financial instrument risks. The risk management policies employed by the group to manage these risks are discussed below. The primary objectives of the financial instrument risk management function are to establish risk limits, and then ensure that exposure to risks stay within these limits.

#### **Credit risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

## **Agnentis Limited**

### **Notes to the financial statements (continued)** **For the year ended 31 March 2014**

#### **16. Financial instruments (continued)**

##### **Liquidity risk**

Liquidity risk is defined as the risk that the group does not have sufficient financial resources to meet its commitments when they fall due, or can secure them only at excessive cost. The group closely monitors cash flow and anticipates that there are sufficient funds available to meet the operational needs.

##### **Interest rate risk**

The directors do not anticipate interest rates to rise in the foreseeable near future and have not entered into any SWAPs to hedge against rises in interest rates.

#### **17. Conversion to IFRS**

The Company has changed its accounting framework from UK GAAP to IFRS. All opening balances at 1 April 2012 have been restated and there were no differences on conversion.

#### **18. Controlling party**

The directors consider that the ultimate controlling party is King's College Hospital NHS Foundation Trust, which is also the parent of the largest and smallest group preparing consolidated accounts which include the Company. As such, they have taken advantage of the exemption available under IAS 24 not to disclose related party transactions. Copies of the King's College Hospital NHS Foundation Trust consolidated accounts can be obtained from King's College Hospital, Denmark Hill, London SE5 9RS.