

COMPANIES
HOUSE

Agrega Limited
Financial Statements
For the Year Ended
31 December 2015



Agrega Limited
Financial Statements
Year Ended 31 December 2015

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Agrega Limited

Officers and Professional Advisers

The Board of Directors

Martin B Grover
Guilherme C P B Da Costa
Andrew J Barrett

Company Secretary

Ann E Griffiths

Registered Office

GLOBE HOUSE 1 WATER STREET
LONDON
ENGLAND
WC2R 3LA

Auditor

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)
Chartered accountant & statutory auditor
Portland, 25 High Street,
Crawley
West Sussex
RH10 1BG

Agrega Limited
Directors' Report
Year Ended 31 December 2015

The Directors present their report and the financial statements of the Company for the year ended 31 December 2015.

Principal Activities

The Company provided strategic procurement services that delivered value for its customers by leveraging purchasing scale and applying in-depth knowledge and effective procurement processes in the non-industry specific indirect spend categories.

The Company acted as an agent for its customers, who realise the benefits of the procurement services through reduced purchase prices or cost avoidance, and receives consultancy fees for its services.

During the year the Company ceased to trade. For this reason the accounts have been prepared on a basis other than that of going concern. Further information of the impact of this is included within the notes to the financial statements.

Directors

The Directors who served the Company during the year were as follows:

Martin B Grover
Guilherme C P B Da Costa
Andrew J Barrett

Dividends

The Directors do not recommend the payment of a dividend.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

Agrega Limited

Directors' Report *(continued)*

Year Ended 31 December 2015

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

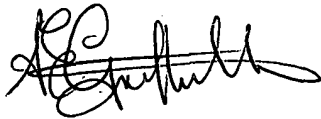
Auditor

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small companies exemption

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

By Order of the Board



Ann E Griffiths
Secretary

28
..... September 2016

Agrega Limited

Independent Auditor's Report to the Shareholders of Agrega Limited

Year Ended 31 December 2015

We have audited the financial statements of Agrega Limited for the year ended 31 December 2015, on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders 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 Directors' responsibilities statement set out on page 2, 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 the Financial Statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Councils website at www.frc.org.uk/auditscopeukprivate

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 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of Matter

Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements. As described in note 2, the Company ceased trading during the year and the trade, assets and liabilities have been, or are being, transferred to another member of the British American Tobacco group (the "Group"). It is expected that this process will be complete within 12 months of the date of signing of these financial statements. For this reason the financial statements have been drawn up on a basis other than that of going concern.

No material adjustments arose as a result of ceasing to apply the going concern basis and the Company is expected to be able to pay its debts in full.

Opinion on Other Matter Prescribed by the Companies Act 2006

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

Agrega Limited

Independent Auditor's Report to the Shareholders of Agrega Limited *(continued)*

Year Ended 31 December 2015

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 the 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 or in preparing the Directors' report.

RSM UK Audit LLP

Dominic Blythe (Senior Statutory Auditor)

For and on behalf of
RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) statutory auditor
& Chartered accountants
Portland, 25 High Street,
Crawley
West Sussex
RH10 1BG

29 September 2016

Agrega Limited
Statement of Income and Retained Earnings
Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	581,413	6,140,940
Gross profit		<u>581,413</u>	<u>6,140,940</u>
Administrative expenses		<u>(642,203)</u>	<u>(5,799,077)</u>
Operating (loss)/profit	4	<u>(60,790)</u>	<u>341,863</u>
Other interest receivable and similar income		<u>105</u>	<u>105</u>
(Loss)/profit on ordinary activities before taxation		<u>(60,685)</u>	<u>341,968</u>
Tax on (loss)/profit on ordinary activities	8	<u>92,221</u>	<u>(43,577)</u>
Profit on ordinary activities after taxation and profit for the financial year		<u><u>31,536</u></u>	<u><u>298,391</u></u>
Retained earnings at the start of the year		<u>1,495,180</u>	<u>1,196,789</u>
Retained earnings at the end of the year		<u><u>1,526,716</u></u>	<u><u>1,495,180</u></u>

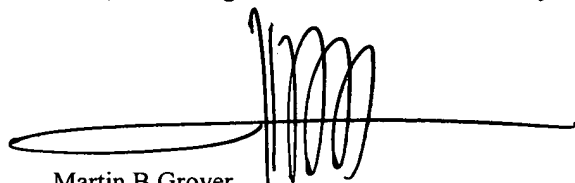
All the activities of the Company are from discontinued operations.

The notes on pages 8 to 16 form part of these financial statements.

Agrega Limited
Statement of Financial Position
31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	9	—	96,541
Current assets			
Debtors	10	205,637	2,419,185
Cash at bank and in hand		2,326,079	4,145,082
		<u>2,531,716</u>	<u>6,564,267</u>
Creditors: amounts falling due within one year	11	<u>(5,000)</u>	<u>(4,158,511)</u>
Net current assets		<u>2,526,716</u>	<u>2,405,756</u>
Total assets less current liabilities		<u>2,526,716</u>	<u>2,502,297</u>
Provisions			
Deferred tax	13	—	(7,117)
Net assets		<u>2,526,716</u>	<u>2,495,180</u>
Capital and reserves			
Called up share capital	15	1,000,000	1,000,000
Profit and loss account	16	1,526,716	1,495,180
Shareholders funds		<u>2,526,716</u>	<u>2,495,180</u>

These financial statements were approved by the board of Directors and authorised for issue on ²⁸ September 2016, and are signed on behalf of the board by:



Martin B Grover
Director

Company registration number: 06201935

The notes on pages 8 to 16 form part of these financial statements.

Agrega Limited
Notes to the Financial Statements
Year Ended 31 December 2015

1. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The entity is a private limited liability Company incorporated in England and Wales under Company registration number 06201935, its registered office address is Globe House, 1 Water Street, London, England, WC2R 3LA

The principal activity of the Company was as a provider of strategic procurement services that delivered value for its customers by leveraging purchasing scale and applying in-depth knowledge and effective procurement processes in the non-industry specific indirect spend categories.

The Company acted as an agent for its customers, who realised the benefits of the procurement services through reduced purchase prices or cost avoidance, and received consultancy fees for its services.

Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the 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' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.

Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Going Concern

The Company ceased trading during the year and the trade, assets and liabilities have been, or are being, transferred to another member of the group. It is expected that this process will be complete within 12 months of the date of signing of these financial statements. For this reason the financial statements have been drawn up on a basis other than that of going concern.

No material adjustments arose as a result of ceasing to apply the going concern basis and the Company is expected to be able to pay its debts in full.

Agrega Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2015

2. Accounting Policies *(continued)*

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management consider there are no significant judgements or key sources of estimation uncertainty impacting amounts recognised in these financial statements.

Revenue Recognition

Turnover is recognised as expenses are incurred and represents the total invoice value receivable, excluding value added tax, of sales made during the year and derives from the provision of services within the Company's ordinary activities.

Income Tax

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

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the Directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Agrega Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2015

2. Accounting Policies *(continued)*

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Operating Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	Over the length of the lease
Fixtures, Fittings & Equipment	-	25% straight line

Defined Contribution Plans

The amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as other creditors.

Financial Instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Agrega Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2015

2. Accounting Policies *(continued)*

Debtors

Short term debtors are initially measured at transaction price less any impairment and subsequently at amortised cost using the effective interest method.

Creditors

Short term creditors are initially measured at transaction price and subsequently at amortised cost using the effective interest method.

3. Turnover

Turnover arises from:

	2015 £	2014 £
Rendering of services	<u>581,413</u>	<u>6,140,940</u>

The turnover is attributable to the one principal activity of the Company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2015 £	2014 £
United Kingdom	581,413	5,875,464
Russia	–	265,476
	<u>581,413</u>	<u>6,140,940</u>

4. Operating Profit

Operating profit or loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible assets	14,367	55,341
Loss on disposal of tangible assets	98,215	–
Operating lease rentals	92,970	189,813
Foreign exchange differences	3,242	41,262
	<u> </u>	<u> </u>

5. Auditor's Remuneration

	2015 £	2014 £
Fees payable for the audit of the financial statements	–	<u>15,100</u>

The auditor's fees in the current year have been borne by a fellow Group company.

Agrega Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2015

6. Staff Costs

The average number of persons employed by the Company during the year, including the Directors, amounted to:

	2015 No.	2014 No.
The average monthly numbers of employees	3	14
The average monthly numbers of secondees	2	6
	<u>5</u>	<u>20</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2015 £	2014 £
Wages and salaries	137,562	3,127,782
Social security costs	25,381	140,677
Other pension costs	21,760	71,098
	<u>184,703</u>	<u>3,339,557</u>

Wages and salaries include the recharged costs of seconded staff from related parties. Included within the wages and salaries cost the sum of £19,588 credit (2014 - £1,176,304) was in respect of seconded staff.

7. Directors' Remuneration

The Directors' aggregate remuneration in respect of qualifying services was:

	2015 £	2014 £
Remuneration	–	240,607
Company contributions to defined contribution pension plans	–	9,481
	<u>–</u>	<u>250,088</u>

The number of Directors who accrued benefits under Company pension plans was as follows:

	2015 No.	2014 No.
Defined contribution schemes	–	1

Remuneration of the highest paid director in respect of qualifying services:

	2015 £	2014 £
Aggregate remuneration	–	240,608
Company contributions to defined contribution pension plans	–	9,481
	<u>–</u>	<u>250,089</u>

Directors' remuneration is paid by related parties and recharged to the Company. No Directors' remuneration was paid during the year to 31 December 2015.

Agrega Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2015

8. Tax on (Loss)/Profit on Ordinary Activities

Major components of tax (income)/expense

	2015 £	2014 £
Current tax:		
UK current tax (income)/expense	–	83,291
Adjustments in respect of prior periods	<u>(85,106)</u>	<u>(27,139)</u>
Total UK current tax	<u>(85,106)</u>	56,152
Foreign current tax expense/(income)	<u>2</u>	<u>(16,621)</u>
Total current tax	<u><u>(85,104)</u></u>	<u><u>39,531</u></u>
Deferred tax:		
Origination and reversal of timing differences	<u>(7,117)</u>	<u>4,046</u>
Tax on (loss)/profit on ordinary activities	<u><u>(92,221)</u></u>	<u><u>43,577</u></u>

Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%).

	2015 £	2014 £
(Loss)/profit on ordinary activities before taxation	<u>(60,685)</u>	<u>341,968</u>
Tax on loss at standard UK tax rate of 20.25% (2014: 21.50%)	<u>(12,289)</u>	83,291
Effects of:		
Expenses not deductible	6,719	(2,379)
Effects of group relief / other reliefs	(3,526)	(18,159)
Adjustments from previous periods	<u>(85,106)</u>	<u>(27,139)</u>
Effect of other short term timing differences	1,869	7,963
Tax rate changes	<u>112</u>	–
Tax on (loss)/profit on ordinary activities	<u><u>(92,221)</u></u>	<u><u>43,577</u></u>

Agrega Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2015

9. Tangible Assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 January 2015	10,119	325,465	335,584
Additions	–	20,824	20,824
Disposals	(10,119)	(346,289)	(356,408)
At 31 December 2015	<u>–</u>	<u>–</u>	<u>–</u>
Depreciation			
At 1 January 2015	5,565	233,478	239,043
Charge for the year	506	13,861	14,367
Disposals	(6,071)	(247,339)	(253,410)
At 31 December 2015	<u>–</u>	<u>–</u>	<u>–</u>
Carrying amount			
At 31 December 2015	<u>–</u>	<u>–</u>	<u>–</u>
At 31 December 2014	<u>4,554</u>	<u>91,987</u>	<u>96,541</u>

10. Debtors

	2015 £	2014 £
Amounts owed by Group undertakings	–	2,258,620
Prepayments and accrued income	–	77,737
Other debtors	205,637	82,828
	<u>205,637</u>	<u>2,419,185</u>

11. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	–	141,156
Amounts owed to Group undertakings	–	2,438,718
Accruals and deferred income	5,000	1,456,864
Corporation tax	–	83,251
Social security and other taxes	–	32,075
Other creditors	–	6,447
	<u>5,000</u>	<u>4,158,511</u>

Agrega Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2015

12. Deferred Tax

The deferred tax included in the statement of financial position is as follows:

	2015	2014
	£	£
Included in provisions (note 13)	—	7,117
	<u>—</u>	<u>7,117</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2015	2014
	£	£
Accelerated capital allowances	—	7,117
	<u>—</u>	<u>7,117</u>

13. Provisions

	Deferred tax (note 12) £
At 1 January 2015	7,117
Unused amounts reversed	(7,117)
At 31 December 2015	<u>—</u>

14. Employee Benefits

Defined contribution plans

The Company operated a defined contribution pension scheme in respect of the employees until the Company ceased trading. The scheme and its assets were held by independent managers. The pension charge represents contributions made during the year and amounted to £21,760 (2014 - £71,098). At the balance sheet date the amount owed by the Company amounted to £nil (2014 - £nil).

15. Called Up Share Capital

Issued, called up and fully paid

	2015		2014	
	No.	£	No.	£
Ordinary 'A' shares shares of £1 each	500,000	500,000	500,000	500,000
Ordinary 'B' shares shares of £1 each	500,000	500,000	500,000	500,000
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

The Company's ordinary 'A' and 'B' shares rank pari passu and carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

Agrega Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2015

16. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

17. Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	£	£
Not later than 1 year	<u>—</u>	<u>115,995</u>

18. Related Party Transactions

As a wholly owned subsidiary the Company has taken advantage of the exemption under FRS 102 from disclosing transactions with other subsidiary undertakings of the British American Tobacco p.l.c. Group.

19. Parent Undertakings

The Company's ultimate parent undertaking and ultimate controlling party is British American Tobacco p.l.c. being incorporated in the United Kingdom and registered in England and Wales. The Company's immediate parent undertaking is British-American Tobacco (Holdings) Limited. Group financial statements are prepared only at the British American Tobacco p.l.c. level and may be obtained from:

The Company Secretary
Globe House
4 Temple Place
London
WC2R 2PG

20. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The Company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity as at 1 January 2014 and no adjustments to equity as at 31 December 2014 or to profit or loss for the year ended 31 December 2014 were required either.

No changes in accounting policy were required as a result of transition to FRS102.