

# eSynergy Holdings Limited

Annual Report and Financial Statements

For the period ended 30 June 2020

Company Registration No. 11849065 (England and Wales)

# eSynergy Holdings Limited

## Company Information

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<b>Directors</b>	P J Crompton LC Clark
<b>Company number</b>	11849065
<b>Registered office</b>	50 Fenchurch Street London United Kingdom EC3M 3JY
<b>Auditor</b>	Moore Kingston Smith LLP Orbital House 20 Eastern Road Romford Essex RM1 3PJ

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# eSynergy Holdings Limited

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# eSynergy Holdings Limited

## Strategic Report

For the period ended 30 June 2020

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The directors present the strategic report for the period ended 30 June 2020.

### **Fair review of the business**

The directors are satisfied with the achieved results for the accounting period ended 30 June 2020. This is the first period of trading as a group.

We used 2019-20 to build a strong leadership team that would serve the group better as a consulting group and this puts us in good stead for the following year of trading. We have a good spread of business with no over reliance on any one customer which also represents a challenge as to how we increase our footprints in existing accounts and make more of what we have. The two main industries we are focussed on, public sector and financial services remain strong performers within the current challenging times and offer more room for growth.

We remain optimistic for the group for our next financial year although have one eye on the challenging conditions in the market right now.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the group are those faced by many groups of our size and structure within the technology consultancy market. The nature of technology consultancy has made it necessary for the group to bid for client projects on a regular basis. The group has met this challenge by upskilling the staff involved and engaging third party expertise when necessary.

Regulatory changes and increased reporting in the period and the off payroll rules caused uncertainty in the market in general. These changes have driven the group to evolve, specifically to move into technology consultancy.

The group operates strong internal credit control procedures and as a result the group shows healthy debtor day ratios and has maintained operational cash flows. With these risks and uncertainties in mind, we are aware that any plans for the future development of the group may be subject to unforeseen future events outside of our control.

### **Covid-19 impact:**

The directors and senior management team have developed and mobilised a Covid-19 plan for the group to maintain stability of the outbreak period and the current restriction in place

- All internal staff are working from home and are connected via laptop and video conferencing with appropriate homeworking arrangements for all areas Front office, back office and management.
- All IT infrastructure is in the cloud under a secure model.
- All staff on assignment are able to work remotely and we have enabled with appropriate video conferencing services .
- DR procedures and support for IT in place with resilience.
- All Staff mental health is being monitored through team managers.

# eSynergy Holdings Limited

## Strategic Report (Continued)

For the period ended 30 June 2020

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### **Financial risk management objectives and policies**

The group's principal financial instruments comprise of bank balances, confidential invoice discount facility, trade debtors, trade creditors, development loans, Director loans and finance lease agreements. The main purpose of these instruments is to finance the business' operations. After review of availability and pricing of working capital funding in the UK, the Directors concluded that the mix of financial instruments is correct but regular review of the suppliers of banking arrangements and confidential invoice discount facilities is undertaken.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers, prior to supply of recruitment services and the regular monitoring of amounts outstanding for both time, expressed as customers' payment terms, and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Payment runs are produced bi-monthly and controls are in place to ensure correctly received and authorised invoices are settled within payment terms.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments.

### **Covid-19 impact:**

The directors have reviewed the cash position of the business and monitor on a daily basis.

The group settled all liabilities through 24 March 2020 including quarterly rent, VAT and PAYE.

Going forward the group will delay payments in line with HMRC advice for statutory liabilities

The group has concluded that it has sufficient cashflow and cash reserves in place to settle liabilities for the following 12 months based on projects continuing. We are in daily contact with clients to assess this.

The group is in contact with its primary bankers to arrange additional credit facilities, under the Coronavirus Business Interruption scheme as a contingency.

### **Future developments**

The group now has a firm client base within the Government and Financial sectors and is looking to increase its presence in the latter sector.

The group has successfully developed its expertise in Bid Management and this has yielded several lucrative ongoing contracts that have ensured the group's stability.

The group now has a resilient leadership team and will be working to further consolidate this in the future

On behalf of the board

P J Crompton  
**Director**  
8 February 2021

# eSynergy Holdings Limited

## Directors' Report

For the period ended 30 June 2020

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The directors present their annual report and financial statements for the period ended 30 June 2020.

### Principal activities

The company was incorporated on 27 February 2019 and the group begun trading on 1 April 2019.

The principal activity of the company is that of a holding company. The principal activity of the group is that of providing technology consultancy for using on the cloud.

### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

P J Crompton

ND Gausden

LC Clark

(Resigned 31 December 2020)

### Results and dividends

The results for the period are set out on page 8.

Ordinary dividends were paid amounting to £352,000. The directors do not recommend payment of a further dividend.

### Auditor

The auditor, Moore Kingston Smith LLP, is deemed to be appointed under section 487 (2) of the Companies Act 2006.

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# eSynergy Holdings Limited

## Directors' Report (Continued)

For the period ended 30 June 2020

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### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

P J Crompton

**Director**

8 February 2021

# eSynergy Holdings Limited

## Independent Auditor's Report

To the Members of eSynergy Holdings Limited

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### Opinion

We have audited the financial statements of eSynergy Holdings Limited (the 'parent company') and its subsidiary (the 'group') for the period ended 30 June 2020 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2020 and of its profit for the period 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.

### 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. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

### 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.

We have nothing to report in this regard.



# eSynergy Holdings Limited

## Independent Auditor's Report (Continued)

To the Members of eSynergy Holdings Limited

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 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.

### **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.

# eSynergy Holdings Limited

## Independent Auditor's Report (Continued)

### To the Members of eSynergy Holdings Limited

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As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### 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.

**Steven Rushmer (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

8 February 2021

**Chartered Accountants**  
**Statutory Auditor**

Orbital House  
20 Eastern Road  
Romford  
Essex  
RM1 3PJ

# eSynergy Holdings Limited

## Group Statement of Comprehensive Income

For the period ended 30 June 2020

	Notes	Period ended 30 June 2020 £
<b>Turnover</b>	<b>3</b>	42,806,443
Cost of sales		(35,548,064)
<b>Gross profit</b>		7,258,379
Administrative expenses		(6,062,283)
<b>Operating profit</b>	<b>4</b>	1,196,096
Interest payable and similar expenses	<b>7</b>	(37,500)
<b>Profit before taxation</b>		1,158,596
Tax on profit	<b>8</b>	(312,096)
<b>Total comprehensive income for the period</b>		846,500

Profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

# eSynergy Holdings Limited

## Group Balance Sheet

As at 30 June 2020

	Notes	2020 £	£
<b>Fixed assets</b>			
Goodwill	10	2,463,699	
Tangible assets	11	50,235	
			<u>2,513,934</u>
<b>Current assets</b>			
Debtors	15	4,264,292	
Cash at bank and in hand		416,792	
		<u>4,681,084</u>	
<b>Creditors: amounts falling due within one year</b>	16	(4,295,519)	
<b>Net current assets</b>			<u>385,565</u>
<b>Total assets less current liabilities</b>			<u>2,899,499</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(755,000)	
<b>Net assets</b>			<u><u>2,144,499</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	100	
Share premium account		1,649,900	
Profit and loss reserves		494,499	
<b>Total equity</b>			<u><u>2,144,499</u></u>

The financial statements were approved by the board of directors and authorised for issue on 8 February 2021 and are signed on its behalf by:

P J Crompton  
Director

# eSynergy Holdings Limited

## Company Balance Sheet

As at 30 June 2020

	Notes	2020 £	£
<b>Fixed assets</b>			
Investments	12		3,300,000
<b>Current assets</b>			
Debtors	15	12,400	
Cash at bank and in hand		100	
		<u>12,500</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(367,500)</u>	
<b>Net current liabilities</b>			<u>(355,000)</u>
<b>Total assets less current liabilities</b>			2,945,000
<b>Creditors: amounts falling due after more than one year</b>	17		<u>(755,000)</u>
<b>Net assets</b>			<u><u>2,190,000</u></u>
<b>Capital and reserves</b>			
Called up share capital	19		100
Share premium account			1,649,900
Profit and loss reserves			<u>540,000</u>
<b>Total equity</b>			<u><u>2,190,000</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the period was £892,000.

The financial statements were approved by the board of directors and authorised for issue on 8 February 2021 and are signed on its behalf by:

P J Crompton  
Director

Company Registration No. 11849065

# eSynergy Holdings Limited

## Group Statement of Changes in Equity

For the period ended 30 June 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Period ended 30 June 2020:</b>					
Profit and total comprehensive income for the period		-	-	846,500	846,500
Issue of share capital	19	100	1,649,900	-	1,650,000
Dividends	9	-	-	(352,000)	(352,000)
<b>Balance at 30 June 2020</b>		100	1,649,900	494,500	2,144,500

# eSynergy Holdings Limited

## Company Statement of Changes in Equity

For the period ended 30 June 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Period ended 30 June 2020:</b>					
Profit and total comprehensive income for the period		-	-	892,000	892,000
Issue of share capital	19	100	1,649,900	-	1,650,000
Dividends	9	-	-	(352,000)	(352,000)
<b>Balance at 30 June 2020</b>		100	1,649,900	540,000	2,190,000

# eSynergy Holdings Limited

## Group Statement of Cash Flows

For the period ended 30 June 2020

	Notes	2020 £	£
<b>Cash flows from operating activities</b>			
Cash generated from/(absorbed by) operations	21	1,004,108	
Interest paid		(37,500)	
<b>Net cash inflow/(outflow) from operating activities</b>			966,608
<b>Investing activities</b>			
Purchase of tangible fixed assets		(38,823)	
Purchase of subsidiaries		381,007	
<b>Net cash generated from/(used in) investing activities</b>			342,184
<b>Financing activities</b>			
Repayment of loan		(540,000)	
Dividends paid to equity shareholders		(352,000)	
<b>Net cash used in financing activities</b>			(892,000)
<b>Net increase in cash and cash equivalents</b>			416,792
Cash and cash equivalents at beginning of period			-
<b>Cash and cash equivalents at end of period</b>			416,792



# eSynergy Holdings Limited

## Notes to the Financial Statements

For the period ended 30 June 2020

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### 1 Accounting policies

#### Company information

eSynergy Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 50 Fenchurch street, London, United Kingdom, EC3M 3JY.

The group consists of eSynergy Holdings Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 pound.

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

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of eSynergy Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# eSynergy Holdings Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2020

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### 1 Accounting policies

(Continued)

#### 1.3 Going concern

The occurrence of the coronavirus which has expanded post year end is a global threat, however in our opinion it is not considered an event subsequent to the balance sheet date with a material effect on these financial statements to 30 June 2020.

Despite the impact of the pandemic since March 2020, the group has continued to trade profitably by still providing technology consultancy to their clients. At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Reporting period

This is the first set of accounts produced by the company. The period has been extended to the period ended 30 June 2020 to bring the period end in line with the other group company.

#### 1.5 Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts.

Fee income represents revenue earned under a variety of contracts to provide professional agency services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.7 Tangible fixed assets

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

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

Fixtures and fittings	25% straight line basis
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# eSynergy Holdings Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2020

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### 1 Accounting policies

(Continued)

#### 1.8 Cash at bank and in hand

Cash at bank and in hand 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.

#### 1.9 Financial instruments

All of the company's financial assets and liabilities are basic and measured at amortised cost.

#### 1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.11 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *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 if, and only if, there is 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.

#### 1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# eSynergy Holdings Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2020

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### 1 Accounting policies

(Continued)

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are 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.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### *Useful economic lives of tangible fixed assets*

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment and note 1.7 for the useful economic lives for each class of asset.

#### *Recoverable value of trade debtors*

The company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors and associated impairment provision.

#### *Useful economic life of goodwill*

The annual amortisation charge goodwill is sensitive to changes in the estimated useful economic lives and residual values of the asset. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation. See note 10 for the carrying amount of goodwill and note 1.6 for the useful economic lives for goodwill.

# eSynergy Holdings Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2020

### 3 Turnover and other revenue

	2020 £
<b>Turnover analysed by class of business</b>	
Temporary placements	42,401,308
Permanent placements	405,135
	<u>42,806,443</u>
	<u><u>42,806,443</u></u>
	2020 £
<b>Turnover analysed by geographical market</b>	
UK	42,565,276
Europe	241,167
	<u>42,806,443</u>
	<u><u>42,806,443</u></u>

### 4 Operating profit

	2020 £
Operating profit for the period is stated after charging:	
Depreciation of owned tangible fixed assets	88,856
Amortisation of intangible assets	351,957
Operating lease charges	194,443
Loss on disposal	70,908
	<u><u>606,164</u></u>

### 5 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2020 Number	Company 2020 Number
Directors	3	-
Sales	25	-
Administration	18	-
	<u>46</u>	<u>-</u>
	<u><u>46</u></u>	<u><u>-</u></u>

# eSynergy Holdings Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2020

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2020 £	Company 2020 £
Wages and salaries	3,576,117	-
Social security costs	377,014	-
Pension costs	70,675	-
	<u>4,023,806</u>	<u>-</u>

### 6 Directors' remuneration

	2020 £
Remuneration for qualifying services	23,750
Company pension contributions to defined contribution schemes	13,400
Consultancy fees	239,859
	<u>277,009</u>

### 7 Interest payable and similar expenses

	2020 £
Interest on invoice finance arrangements	37,500

### 8 Taxation

	2020 £
<b>Current tax</b>	
UK corporation tax on profits for the current period	312,096

# eSynergy Holdings Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2020

### 8 Taxation

(Continued)

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2020 £
Profit before taxation	1,158,596
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00%</i>	220,133
Tax effect of expenses that are not deductible in determining taxable profit	101,821
Permanent capital allowances in excess of depreciation	(9,858)
Taxation charge for the period	312,096

### 9 Dividends

	2020 £
Final paid	352,000

### 10 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 26 February 2019	-
Additions	2,815,656
At 30 June 2020	2,815,656
<b>Amortisation and impairment</b>	
At 26 February 2019	-
Amortisation charged for the period	351,957
At 30 June 2020	351,957
<b>Carrying amount</b>	
At 30 June 2020	2,463,699

# eSynergy Holdings Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2020

### 11 Tangible fixed assets

Group	Fixtures and fittings
	£
<b>Cost</b>	
At 26 February 2019	584,598
Additions	38,822
Disposals	(548,159)
At 30 June 2020	75,261
<b>Depreciation and impairment</b>	
At 26 February 2019	413,421
Depreciation charged in the period	88,856
Eliminated in respect of disposals	(477,251)
At 30 June 2020	25,026
<b>Carrying amount</b>	
At 30 June 2020	50,235

### 12 Fixed asset investments

	Group 2020 £	Company 2020 £
Unlisted investments	-	3,300,000
<b>Movements in fixed asset investments</b>		
<b>Company</b>		<b>Investments other than loans</b>
		£
<b>Cost or valuation</b>		
At 26 February 2019		-
Additions		3,300,000
At 30 June 2020		3,300,000
<b>Carrying amount</b>		
At 30 June 2020		3,300,000



# eSynergy Holdings Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2020

### 13 Subsidiaries

Details of the company's subsidiaries at 30 June 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
ESynergy Solutions Limited	England and Wales	Technology Consultancy	Ordinary	100	0

### 14 Financial instruments

	Group 2020 £	Company 2020 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	3,929,251	12,400
Instruments measured at fair value through profit or loss	-	3,300,000
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	4,360,100	1,122,500
	<u>          </u>	<u>          </u>

### 15 Debtors

	Group 2020 £	Company 2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,926,626	-
Amounts due from group undertakings	-	12,400
Other debtors	2,625	-
Prepayments and accrued income	335,041	-
	<u>          </u>	<u>          </u>
	4,264,292	12,400
	<u>          </u>	<u>          </u>

# eSynergy Holdings Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2020

### 16 Creditors: amounts falling due within one year

	Notes	Group 2020 £	Company 2020 £
Convertible loans		355,000	355,000
Trade creditors		2,283,983	-
Corporation tax payable		403,956	-
Other taxation and social security		286,463	-
Other creditors		330,036	12,500
Accruals and deferred income		636,081	-
		<u>4,295,519</u>	<u>367,500</u>

The Royal Bank of Scotland PLC has fixed and floating charges over all assets of the business. The company's invoice discount facility is also secured by personal guarantees and indemnities from PJ Crompton a director of the company.

### 17 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	Company 2020 £
Convertible loans		<u>755,000</u>	<u>755,000</u>

### 18 Retirement benefit schemes

	2020 £
<b>Defined contribution schemes</b>	
Charge to profit or loss in respect of defined contribution schemes	<u>70,675</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 19 Share capital

	Group and company 2020 £
<b>Ordinary share capital</b>	
<b>Issued and fully paid</b>	
100 Ordinary shares of £1 each	<u>100</u>

# eSynergy Holdings Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2020

### 20 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>Group 2020 £</b>	<b>Company 2020 £</b>
Within one year	155,555	-
Between two and five years	80,311	-
	<u>235,866</u>	<u>-</u>

### 21 Cash generated from group operations

	<b>2020 £</b>
Profit for the period after tax	846,500
Adjustments for:	
Taxation charged	312,096
Finance costs	37,500
Loss on disposal of tangible fixed assets	70,908
Amortisation and impairment of intangible assets	351,957
Depreciation and impairment of tangible fixed assets	88,856
Movements in working capital:	
Decrease in debtors	1,560,787
(Decrease) in creditors	(2,264,496)
<b>Cash generated from/(absorbed by) operations</b>	<u><u>1,004,108</u></u>

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