Company Registration No. 04924133 (England and Wales)

RELIANCE ACSN LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2021

PAGES FOR FILING WITH REGISTRAR

Verallo

Century House
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RELIANCE ACSN LIMITED

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RELIANCE ACSN LIMITED

COMPANY INFORMATION

Directors	Mr. S. Ball Mr. M. Sutherland Mr. M. Gascoigne Mr. G. Lyons Mr. S. Watkinson
Secretary	Miss. G. Edger
Company number	04924133
Registered office	3 Valentine Place London SE1 8QH
Auditor	Verallo (formerly Taylorcocks Thames Valley LLP) Century House Wargrave Road Henley-on-Thames Oxfordshire United Kingdom RG9 2LT

RELIANCE ACSN LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	**8**		151,976		337,708
Current assets					
Debtors	**9**	2,381,660		1,436,847	
Cash at bank and in hand		1,686,945		846,906	
		4,068,605		2,283,753	
Creditors: amounts falling due within one year	**10**	(17,555,545)		(13,686,012)	
Net current liabilities			(13,486,940)		(11,402,259)
Net liabilities			(13,334,964)		(11,064,551)
Capital and reserves					
Called up share capital	**11**		141		133
Share premium account	**12**		20,380		16,633
Profit and loss reserves			(13,355,485)		(11,081,317)
Total equity			(13,334,964)		(11,064,551)

RELIANCE ACSN LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2021

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

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 18 March 2022 and are signed on its behalf by:

Mr. M. Sutherland
Director

Company Registration No. 04924133

The notes on pages 5 to 15 form part of these financial statements

RELIANCE ACSN LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 July 2019		100	-	(9,198,624)	(9,198,524)
Year ended 30 June 2020:					
Loss and total comprehensive income for the year		-	-	(1,882,693)	(1,882,693)
Issue of share capital	**11**	33	16,633	-	16,666
Balance at 30 June 2020		133	16,633	(11,081,317)	(11,064,551)
Year ended 30 June 2021:					
Loss and total comprehensive income for the year		-	-	(2,274,168)	(2,274,168)
Issue of share capital	**11**	8	3,747	-	3,755
Balance at 30 June 2021		141	20,380	(13,355,485)	(13,334,964)

The notes on pages 5 to 15 form part of these financial statements

1 Accounting policies

Company information

Reliance acsn Limited (04924133) is a private company limited by shares incorporated in England and Wales. The registered office is 3 Valentine Place, London, SE1 8QH.

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, as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied, other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence, and will be able to meet its liabilities as they fall due, for a period of at least twelve months from the date of approval of the financial statements.

In reaching this conclusion the directors have considered the considerable investment made into new business streams to future proof the business. The investment phase is now complete, resulting in a wider customer base and an active pipeline of new opportunities, which the directors forecast, will have a positive impact on results in future periods. The continued impact of COVID-19 has been considered within these forecasts.

In concluding that it is appropriate to adopt the going concern basis in preparing the financial statements, the directors have had regard to the future growth plans for the company and the support received from its ultimate parent company, Reliance Trust Limited and ultimate owner Mr. B. Kingham, in financing those plans.

Should the assumptions referred to in the directors assessment of the going concern basis above, prove to be invalid, the going concern basis may also be invalid and accordingly, adjustments may have to be made to reduce the value of the assets to their realisable amounts, to provide for any further liabilities which might arise and to reclassify all there fixed assets and long term liabilities as current assets and liabilities respectively.

1 Accounting policies **(Continued)**

1.3 Turnover

Turnover represents amounts receivable for products and services delivered during the year and services provided during the year, net of VAT.

Turnover relation to third party products and services is recognised on delivery of the product or activation key to the customer. Any turnover recognised ahead of this time is deferred at the year end.

Turnover relating to managed services is recognised proportionately over the life of the contract. Turnover is accrued or deferred, as appropriate at the year end.

Turnover relating to PEN testing an consultancy is recognised in line with the cost incurred. Turnover is recognised to the extent that it is probable it will be recovered.

1.4 Intangible fixed assets

Development is valued at cost less accumulated amortisation.

Amortisation 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:

Development	10 years straight line

1.5 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:

Leasehold land and buildings	Over the life of the lease
Computer equipment	2 to 3 years straight line
Fixtures, fittings & equipment	5 years straight line

The gain or loss arising on the disposal of an asset, is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Cash at bank and in hand

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

1 Accounting policies **(Continued)**

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

1.8 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1 Accounting policies **(Continued)**

1.9 Taxation

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

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:
- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of development or fixed assets.

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

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

1 Accounting policies **(Continued)**

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 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 in the period are included in profit or loss.

2 Turnover and other revenue

In the year ended 30 June 2021, 2.98% (2020 - 6.45%) of the company's turnover was to markets outside the UK.

3 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	13,500	13,250

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 65 (2020 - 60).

	2021 Number	2020 Number
Total	65	60

5 Directors' remuneration

	2021	2020
	£	£
Remuneration paid to directors	1,009,438	282,178

6 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	(228,492)	(245,911)

At 30 June 2021 the company had tax losses amounting to £13,287,633 (2020 - £11,329,777), which are available to be carried forward and offset against future trading profits.

7 Intangible fixed assets

	Development
	£
Cost	
At 1 July 2020 and 30 June 2021	226,492
Amortisation and impairment	
At 1 July 2020 and 30 June 2021	226,492
Carrying amount	
At 30 June 2021	-
At 30 June 2020	-

8 Tangible fixed assets

	Leasehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 July 2020	250,230	852,695	36,436	1,139,361
Additions	1,392	73,435	8,200	83,027
Disposals	-	(196,121)	-	(196,121)
At 30 June 2021	251,622	730,009	44,636	1,026,267
Depreciation and impairment				
At 1 July 2020	148,201	622,528	30,924	801,653
Depreciation charged in the year	39,381	221,598	7,780	268,759
Eliminated in respect of disposals	-	(196,121)	-	(196,121)
At 30 June 2021	187,582	648,005	38,704	874,291
Carrying amount				
At 30 June 2021	64,040	82,004	5,932	151,976
At 30 June 2020	102,029	230,167	5,512	337,708

9 Debtors

Amounts falling due within one year:	**2021** £	**2020** £
Trade debtors	1,885,751	1,081,015
Other debtors	26,502	7,590
Prepayments and accrued income	469,407	348,242
	2,381,660	1,436,847

10 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	383,099	319,978
Amounts owed to group undertakings	14,704,208	11,827,608
Taxation and social security	569,230	596,225
Other creditors	37,599	28,027
Accruals and deferred income	1,861,409	914,174
	17,555,545	13,686,012

As highlighted in note 12, on 20 July 2021 the company capitalised the debt, included within amounts owed to group undertakings, of £14,704,208 into 14,704,208 £1 fully paid redeemable preference shares, redeemable at the option of the parent company. These shares hold no voting rights and have a coupon rate of 0.001%.

This transaction represents the parent company's long term support for the entity.

11 Called up share capital

	2021	2020	2021	2020
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary of 0.1p each	100,000	100,000	100	100
A Ordinary of 0.1p each	40,842	33,333	41	33
	140,842	133,333	141	133

11 Called up share capital **(Continued)**

On 12 March 2020 a Sub-Division of Ordinary Shares took place with the Ordinary Shares now being 100,000 Shares at £0.001 per Share (2019: 100 shares at £1 per Share).

On 27 March 2020 33,333 A Ordinary Shares, of £0.001 per share, were issued at a premium of £0.499 per Share, giving rise to a share premium of £16,633.

On 11 January 2021 a further 7,509 A Ordinary Shares, of £0.001 per share, were issues at a premium of £0.499 per Share, giving rise to a share premium of £3,747.

Ordinary Shares are non-redeemable. The Ordinary Shareholders are entitled to receive notice of and to attend any general meetings of the company. On a show of hands every Ordinary Shareholder shall have one vote and on a poll every Ordinary Shareholder shall have one vote for each Ordinary Share held.

They are entitled to receive dividends or other distributions of profit.

In the event the company is wound up or on the sale of the company, the holders are entitled to the balance of assets remaining after the payment of all debts and satisfaction of all the company's liabilities and after payment of the A Ordinary Share entitlement.

A Ordinary Shares are non-redeemable. The A Ordinary Shareholders are entitled to receive notice of and to attend any general meetings of the company. On a show of hands every A Ordinary Shareholder shall have one vote and on a poll every A Ordinary Shareholder shall have one vote for each A Ordinary Share held.

They are entitled to receive dividends or other distributions of profit, provided that this does not exceed more than 24.99% of the distributable profits.

In the event the company is wound up or on the sale of the company, A Ordinary Shareholders are entitled to a pro rata share in the exit proceeds or the assets of the company based on a profits-based formula, where an equity hurdle of £36,000,000 has been met.

If the hurdle has not been met A Ordinary Shareholders will receive the aggregate subscription price of the A Ordinary Shares, provided that, if the company is wound up the aggregate A Ordinary Share Entitlement shall be limited to 24.99% of the assets available for distribution after the payment of all debts and satisfaction of all the company's liabilities, but before payment of the Ordinary Shares.

12 Share premium account

	2021	2020
	£	£
At the beginning of the year	16,633	-
Issue of new shares	3,747	16,633
At the end of the year	20,380	16,633

12 Share premium account **(Continued)**

On 11 January 2021 7,506 A Ordinary Shares, of £0.001 per share, were issued at a premium of £0.499 per Share, giving rise to a share premium of £3,747.

13 Audit report information

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

The auditor's report was unqualified.
The senior statutory auditor was Michelle Hewitt-Dutton FCCA.
The auditor was Verallo (formerly Taylorcocks Thames Valley LLP).

14 Events after the reporting date

On 20 July 2021 the company capitalised debt of £14,704,208 into 14,704,208 £1 fully paid redeemable preference shares, redeemable at the option of the parent company. These shares hold no voting rights and have a coupon rate of 0.001%.

This transaction represents the parent company's long term support for the entity.

15 Operating lease commitments

Lessee
At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021	2020
	£	£
	327,484	554,924

16 Related party transactions

Remuneration of key management personnel

	2021	2020
	£	£
Aggregate compensation	858,042	282,987

Other information

16 Related party transactions **(Continued)**

During the year the company sold goods and services totalling £76,740 (2020:nil) to company's related by a mutual director. At the year end a balance of £25,140 was owed from the related entities.

During the year the parent company provided additional working capital totalling £2,876,600 (2020: £1,181,800). At the year end the company owed £14,704,208 (2020: £11,827,608) to its parent.

17 Parent company

The ultimate parent company is Reliance Trust Limited, a company incorporated in the United Kingdom and registered in England & Wales.

Mr. B. Kingham, is the ultimate controlling party, due to his beneficial interest in the majority of the ordinary issued share capital of Reliance Trust Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.