

Servelec Healthcare Limited

Report and Financial Statements

31 December 2016

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COMPANIES HOUSE

Directors

A R Stubbs
S G Hawkswell
M G Cane
P Llewellyn
C Sykes
L Dransfield (resigned 30 June 2016)

Secretary

M G Cane

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Bankers

Lloyds Bank plc
14 Church Street
Sheffield
S1 1HP

Solicitors

Walker Morris
Kings Court
12 King Street
Leeds
LS1 2HL

Registered Office

Rotherside Road
Eckington
Sheffield
S21 4HL

Strategic report

The directors present their strategic report for the year ended 31 December 2016.

Principal activities and review of the business

The principal activities of the company during the year were the design, supply, installation and commissioning of patient record software and management information systems.

Healthcare has been an integral part of Servelec Group's UK business since 1994 when the company entered the healthcare market with the InteHEALTH product from New Zealand. In 2001 the RiO Care Record product was launched and this has subsequently become the market leader in the UK within the Mental Health and Community Health Sectors. RiO was implemented by the Mental Health and Community Health organisations in London and the South as part of the NHS National Programme for IT and in other organisations outside of the National Programme.

The success of the RiO product has led the company to seek further expansion of its position in the healthcare market by developing products for Acute Hospitals, which are the Oceano and PICS products.

During 2016 the company performed in line with revised expectations following delays in the National Programme for IT in the North, East and West. Implementation of Oceano with our development partner, University Hospitals Birmingham, is progressing well with the system due to go live in 2017. The contract to supply Oceano to Royal Cornwall Hospitals Trust was signed and the project is also on course for delivery in 2017. Product development has continued with the re-launch of our RiO Mobile product, eObservations for improved patient management, order communications and of course enhanced interoperability. The directors are confident that the company is in a strong position to return to growth in the medium term.

Key performance indicators

The company has an order bank of £37m at 31 December 2016 (2015 – £36m).

	2016	2015
	£'000	£'000
Turnover	16,379	19,825
Gross profit	9,109	11,107
Gross profit percentage	55.6%	56.0%
Net profit before tax	4,359	6,553

Cash flow risk

The company continues to maintain adequate cash balances to fund its working capital requirement.

Future developments

The company's strategy is to concentrate on developing and growing its core trading business whilst at the same time seeking out new opportunities to exploit its people's skills.

Principal risks and uncertainties

The company's principal financial instruments comprise sterling cash and bank deposits, overdrafts and loans, together with trade debtors and trade creditors that arise directly from its operations.

Strategic report (continued)

Financial risk management objectives and policies

The company's directors and senior management oversee the management of risks in line with the policies and procedures set by the Servelec Group plc.

Price risk

The company is exposed to price risk as a result of its operations, which are competitive in nature. However, the directors consider that they are close enough to the market to be able to react quickly to price changes and hence manage the impact on the company's performance.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

Management review the liquidity position of the company on a regular basis from KPI's and other management information. All liabilities are due within one year and it is therefore considered unlikely that any would be settled significantly earlier than indicated.

Interest rate risk

The company has only limited exposure to interest rate risk as it has no external borrowings.

Foreign currency risk

The company has limited exposure to foreign currency risk.

For and on behalf of the Board



M G Cane
Secretary

27 April 2017

Directors' report

The directors present their report and financial statements for the year ended 31 December 2016.

Results and dividends

The profit for the year, after taxation, amounted to £3,662,000 (2015 – profit of £5,629,000). Ordinary dividends of £nil were paid during the year (2015 – £5,000,000). The retained profit of £3,662,000 has been transferred to reserves (2015 – £5,629,000).

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to price, credit liquidity and cash flow risk are described in the Business Review above.

The company has financial resources together with long-term contracts with a number of customers across different geographic areas. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current changing economic outlook.

After making enquiries, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Research and development

The company is heavily committed to development activities, of both its own product range and specific products tailor-made to fit customer requirements, so as to maintain its position in the healthcare IT market sector.

The expenditure on development in the year was £995,000 (2015 – £972,000).

Directors

The directors who served the company during the year were as follows:

A R Stubbs
S G Hawkswell
M G Cane
P Llewellyn
C Sykes
L Dransfield (Resigned 30 June 2016)

A R Stubbs and M G Cane are also directors of the immediate parent company Servelec Group plc.

Political contributions

There were no donations to EU political organisations (2015 - £nil).

There were no individual political contributions (2015 - £nil).

Qualifying third party indemnity provision

During the financial year, there were no third party indemnity provisions for the benefit of any of the directors in force.

Parent Company

The immediate and ultimate parent company is Servelec Group plc.

Directors' report (continued)

Subsidiaries

There were no subsidiaries of the company.

Existence of branches outside the United Kingdom

There were no branches in existence located outside the United Kingdom during the year and at the year end.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the group has been continued through the quarterly Team Brief during which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and an employee Staff Consultative Committee to allow a free flow of information and ideas. Employees participate directly in the success of the business through the group's profit sharing schemes.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

For and on behalf of the Board



M G Cane
Secretary

27 April 2017

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Director's 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 of 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 judgements and 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; and
- 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 proper 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.

Independent auditors report

to the members of Servelec Healthcare Limited

We have audited the financial statements of Servelec Healthcare Limited for the year ended 31 December 2016 which comprise the Income statement, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditors' report (continued)

to the members of Servelec Healthcare Limited

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stuart Watson
(Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds

27 April 2017

Income statement

for the year ended 31 December 2016

	<i>Notes</i>	<i>2016</i> <i>£'000</i>	<i>2015</i> <i>£'000</i>
Turnover	2	16,379	19,825
Cost of sales		(7,270)	(8,718)
Gross profit		9,109	11,107
Selling and distribution costs		(540)	(438)
Administrative expenses		(4,211)	(4,118)
Operating profit	3	4,358	6,551
Interest receivable	6	1	2
Profit on ordinary activities before taxation		4,359	6,553
Tax	7	(697)	(924)
Profit for the financial year		3,662	5,629

All of the turnover and operating profit arises from continuing activities.

Statement of comprehensive income

for the year ended 31 December 2016

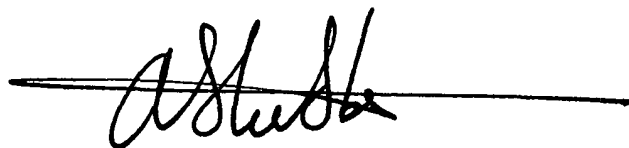
	<i>2016</i> <i>£'000</i>	<i>2015</i> <i>£'000</i>
Profit for the financial year	3,662	5,629
Total comprehensive income for the year	3,662	5,629

Balance sheet

at 31 December 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	9	999	1,405
Deferred tax asset		69	19
		<u>1,068</u>	<u>1,424</u>
Current assets			
Debtors due within one year	10	22,774	21,274
Cash at bank and in hand		499	4,342
		<u>23,273</u>	<u>25,616</u>
Creditors: amounts falling due within one year	11	8,850	15,211
		<u>14,423</u>	<u>10,405</u>
Net current assets			
		<u>15,491</u>	<u>11,829</u>
Total assets less current liabilities			
		<u>104</u>	<u>104</u>
Creditors: amounts falling due after one year	12		
		<u>15,387</u>	<u>11,725</u>
Net assets			
		<u>15,387</u>	<u>11,725</u>
Capital and reserves			
Called up share capital	13	1,839	1,839
Profit and loss account		13,548	9,886
		<u>15,387</u>	<u>11,725</u>
Shareholders' funds			
		<u>15,387</u>	<u>11,725</u>

These financial statements were approved by the Board of Directors on 27 April 2017 and were signed on its behalf by:



A R Stubbs
Director

Statement of changes in equity

For the year ended 31 December 2016

	<i>Share capital</i>	<i>Retained earnings</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Balance at 1 January 2015	1,839	9,257	11,096
Profit for the year	-	5,629	5,629
Dividends	-	(5,000)	(5,000)
Balance at 31 December 2015	<u>1,839</u>	<u>9,886</u>	<u>11,725</u>
Profit for the year	-	3,662	3,662
Dividends	-	-	-
Balance at 31 December 2016	<u>1,839</u>	<u>13,548</u>	<u>15,387</u>

Notes to the financial statements

at 31 December 2016

1. Accounting policies

Basis of preparation

The Company has prepared the financial statements in accordance with FRS 101 and the Companies Act 2006, under the historical cost convention.

The financial statements of Servelec Healthcare Limited for the year ended 31 December 2016 were authorised for issue by the board of directors on 27 April 2017 and the balance sheet was signed on the board's behalf by AR Stubbs. The company is incorporated and domiciled in England and Wales.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2016.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures,
- (b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement,
- (c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - (iii) paragraph 118(e) of IAS 38 Intangible Assets;
- (d) The requirements of paragraphs 10(d), 10(f), 3(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (e) The requirements of IAS 7 Statement of Cash Flows;
- (f) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (h) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- (i) The requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

In the case of long-term contracts, turnover reflects the value of contract activity during the year in proportion to the costs incurred to date.

Turnover on short term projects is recognised once the service has been fully delivered to the client.

Research and development

Research costs are expensed as incurred. Development expenditures are capitalised and recognised as an intangible asset when the Company can demonstrate:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- its intention to complete and use or sell the asset;
- how the asset will generate probable future economic benefits;

Notes to the financial statements

at 31 December 2016

1. Accounting policies (continued)

Research and development (continued)

- adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- the ability to reliably measure the expenditure during development.

Costs that would qualify for capitalisation include both internal and external costs, but are limited to those that are directly related to the specific project.

Qualifying development costs would be included at capitalised costs less accumulated amortisation and any recognised impairment loss.

Intangible fixed assets

Software licences are amortised in equal annual amounts over a period of five years, which is estimated to be their useful life.

Tangible fixed assets

All fixed assets are initially recorded at cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Plant and machinery, fixtures and fittings – 10% to 25% per annum.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks and work-in-progress, other than on long-term contracts, are stated at the lower of costs and net realisable value. Cost includes materials, direct labour, and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling prices less all further costs to completion and all relevant marketing, selling and distribution costs.

Long-term contracts

Long-term contracts are valued at cost, including production overheads, plus attributable profit less foreseeable losses.

Attributable profit is included when the outcome of a contract can be assessed with reasonable certainty. The value of long-term contracts is accounted for within turnover and the excess of this value over payments received on account is included in debtors as 'Amounts recoverable on contracts'. Payments received on account in excess of this value are included in creditors.

Deferred taxation

Deferred taxation 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 right to pay less or to receive more, tax.

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.

Notes to the financial statements

at 31 December 2016

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profit represents the contributions payable to the scheme in respect of the financial year.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be readily measured. Revenue from the sales of services is recognised by reference to the stage of completion. The stage of completion of the contract is determined either by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, or by reference to the completion of a physical proportion of the contract work, dependent upon the nature of the underlying contract.

2. Turnover

Turnover represents amounts (excluding value added tax) derived from the provision of goods and services including long-term contracts to customers during the year.

Turnover and profit are mainly attributable to the United Kingdom.

The directors are of the opinion that the company's activities comprise a single class of business.

An analysis of turnover by geographical market is given below:

	2016 £'000	2015 £'000
United Kingdom	16,144	19,825
Europe	235	-
	<u>16,379</u>	<u>19,825</u>

Notes to the financial statements

at 31 December 2016

3. Operating profit

This is stated after charging:	2016	2015
	£'000	£'000
Auditors' remuneration - audit services	19	40
Research and development expenditure	995	972
Depreciation of owned fixed assets	459	368
	<u> </u>	<u> </u>

4. Directors' emoluments

	2016	2015
	£'000	£'000
Directors remuneration	495	420
Pension contributions	9	14
Benefits in kind	17	16
	<u> </u>	<u> </u>
	521	450
	<u> </u>	<u> </u>

Emoluments are in respect of four directors (2015: four). Three directors (2015: four) contributed to the defined contribution pension scheme.

The highest paid director during the year ended 31 December 2016 received total emoluments of £206,000 (2015: £198,000).

The total directors' emoluments disclosed above excludes amounts payable to A R Stubbs and M G Cane. They are also directors of Servelec Group plc and their emoluments are borne by and disclosed in Servelec Group plc. The company pays a management charge to Servelec Group plc which includes provision for their services.

5. Staff costs

	2016	2015
	£'000	£'000
Wages and salaries	4,796	5,129
Social security costs	534	588
Other pension costs	331	370
	<u> </u>	<u> </u>
	5,661	6,087
	<u> </u>	<u> </u>

The monthly average number of employees during the year was as follows:

	2016	2015
	No.	No.
Production staff	115	114
Distribution staff	7	5
Administrative staff	2	3
	<u> </u>	<u> </u>
	124	122
	<u> </u>	<u> </u>

Notes to the financial statements

at 31 December 2016

6. Interest receivable

	2016 £'000	2015 £'000
Bank interest receivable	1	2

7. Tax

(a) Tax charged in the income statement

The tax charge is made up as follows:

	2016 £'000	2015 £'000
<i>Current income tax:</i>		
UK corporation tax on the profit	922	1,015
Group relief	-	141
Tax over provided in previous years	(174)	(260)
Total current income tax	748	896
Origination and reversal of timing differences	(47)	34
Adjustment to prior year provision	(4)	(6)
Total deferred tax	(51)	28
Tax on profit on continuing operations	697	924

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20.00% (2015 – 20.25%). The differences are explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	4,359	6,553

Notes to the financial statements

at 31 December 2016

7. Tax (continued)

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 – 20.25%).	872	1,327
<i>Effects of:</i>		
R&D tax credits	-	(130)
Capital allowances in excess of depreciation	-	-
Tax over provided in previous years	(178)	(266)
Expenses not deductible for tax purposes	2	3
Other	1	(38)
Tax charge for the period	697	896

The Finance Bill 2016, which was substantively enacted on 6 September 2016, included provisions to reduce the main rate of UK corporation tax to 17% effective from 1 April 2020, which replaces the 18% rate which was previously effective from that date. Accordingly 17% has been applied when calculating deferred tax assets and liabilities as at 31 December 2016.

8. Dividends

	2016 £'000	2015 £'000
<i>Equity dividends on ordinary shares:</i>		
Paid	-	5,000

9. Tangible fixed assets

	<i>Leasehold improvements £'000</i>	<i>Fixtures and fittings, plant and machinery £'000</i>	<i>Total £'000</i>
Cost or valuation:			
At 1 January 2016	290	1,690	1,980
Additions	-	53	53
At 31 December 2016	290	1,743	2,033
Depreciation:			
At 1 January 2016	45	530	575
Charge for the year	42	417	459
At 31 December 2016	87	947	1,034
Net book value:			
At 31 December 2016	203	796	999
At 1 January 2016	245	1,160	1,405

Notes to the financial statements

at 31 December 2016

10. Debtors

	2016 £'000	2015 £'000
Trade debtors	3,444	2,128
Amounts owed by group undertakings	16,888	16,342
Amounts recoverable on contracts	1,567	1,942
Corporation tax recoverable	561	635
Prepayments and accrued income	299	214
Other debtors	15	13
	<u>22,774</u>	<u>21,274</u>

11. Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Payments received on account	4,836	4,719
Trade creditors	301	213
Amounts owed to group undertakings	2,870	8,833
Other taxation and social security	566	562
Other creditors	152	260
Accruals and deferred income	125	624
	<u>8,850</u>	<u>15,211</u>

12. Creditors: amounts falling due after one year

	2016 £'000	2015 £'000
Deferred tax	104	104
	<u>104</u>	<u>104</u>

13. Issued share capital

		2016 £'000		2015 £'000
<i>Allotted, called up and fully paid</i>	<i>No.</i>		<i>No.</i>	
Ordinary shares of £1 each	1,839,000	1,839	1,839,000	1,839
		<u>1,839</u>		<u>1,839</u>

Notes to the financial statements

at 31 December 2016

14. Contingent liability

Servelec Healthcare Limited has given cross guarantees for all sums owed by Servelec Group plc, Servelec Aura Limited, Servelec Corelogic Limited, Servelec Controls Limited, Servelec Technologies Limited, Tynemarch Systems Limited, Servelec Systems Limited, Tynemarch Holdings Limited, Seprol Limited, Aura Healthcare Consulting Limited, Immix Health UK Limited, Corelogic Global Limited and Servelec (Motherwell) Limited under the group Revolving Credit Facility. At 31 December 2016 the amount outstanding under this facility was £15,113,000 (31 December 2015: £nil).

15. Related party transactions

The company has taken advantage of the exemption of FRS101 not to disclose related party transactions with group companies.

16. Ultimate parent undertaking and controlling party

The ultimate parent undertaking, and controlling party is Servelec Group plc.

The immediate parent company and the parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Servelec Group plc, a company registered in England and Wales.