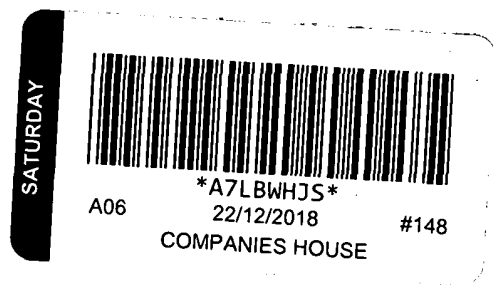


Registration number: 01420136

Servo Computer Services Limited

Annual Report and Financial Statements

for the year ended 31 March 2018



Servo Computer Services Limited

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Servo Computer Services Limited

Company information

Directors	N Marke
	S Smith
	D McGlennon
Company secretary	D McGlennon
Registered office	Daisy House
	Lindred Road Business Park
	Nelson
	Lancashire
	BB9 5SR
Bankers	United Kingdom
	Bank of Scotland
	19/21 Spring Gardens
	Manchester
	M2 1FB
Auditor	Deloitte LLP
	Statutory Auditor
	2 Hardman Street
	Manchester
	M3 3HF
United Kingdom	

Servo Computer Services Limited

Directors' report for the year ended 31 March 2018

The directors present their report and the audited financial statements for the year ended 31 March 2018. The Directors' Report has been prepared in accordance with the small companies' exemptions within part 15 of the Companies Act 2006.

Principal activity

The principal activity of the Company is that of a property holding company. The Company does not plan to continue to act as a property holding company for the foreseeable future as all the properties held by the Company were sold in September 2017. As such, the accounts have not been prepared on a going concern basis.

Directors of the company

The directors who held office during the year and up to the date of signing these financial statements were as follows:

N Marke

N Muller (resigned 22 June 2018)

M Riley (resigned 24 October 2017)

S Smith

The following director was appointed after the year end:

D McGlennon (appointed 22 June 2018)

Directors indemnities

The Group has indemnity insurance in place on behalf of its directors during the year which remains in force at the date of this report. The articles of association of certain associated companies also contain indemnification provisions in favour of Group directors to the extent permitted by law. In addition, Daisy Holdings Limited, an associated company, has previously made qualifying third party indemnity provisions for the benefit of certain directors of the Company which remained in place throughout the year and continue to be in force at the date of this report.

Going concern

All properties held by the Company were sold in September 2017 and so the accounts have not been prepared on a going concern basis. See note 1 for further information.

Servo Computer Services Limited

Directors' report for the year ended 31 March 2018 (continued)

Disclosure of information to the auditor

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


- (a) so far as the directors are aware, there is no relevant information of which the Company's auditor is unaware; and
- (b) each director has taken all the steps that ought to have taken as a director in order to make aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be re-appointed as auditor in the absence of an annual general meeting.

Approved by the board on 28 September 2018 and signed on its behalf by:



S Smith
Director

Servo Computer Services Limited

Directors' responsibilities statement

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Servo Computer Services Limited

Independent auditor's report to the members of Servo Computer Services Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Servo Computer Services Limited (the 'Company') which comprise:

- the statement of income and retained earnings;
- the balance sheet; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

Emphasis of matter - financial statements prepared other than on a going concern basis

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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

We have nothing to report in respect of these matters.

Servo Computer Services Limited

Independent auditor's report to the members of Servo Computer Services Limited (continued)

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 respect of these matters.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement [set out on page 4], 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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Servo Computer Services Limited

Independent auditor's report to the members of Servo Computer Services Limited (continued)

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Damian Sanders FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester
United Kingdom

28 September 2018

Servo Computer Services Limited

Statement of income and retained earnings for the year ended 31 March 2018

	Note	Year ended 31 March 2018 £ 000	Year ended 31 March 2017 £ 000
Turnover		-	-
Operating profit/result and profit/result before taxation	4, 3	105	-
Taxation		-	-
Profit/result for the financial year		105	-
Retained losses brought forward		(89)	(89)
Retained profit/(losses) carried forward		16	(89)

All profit/results in the current and prior year derive from discontinuing activities.

The Company has recognised no gains or losses, in the current or prior year, other than those shown above in the income statement, and therefore no separate statement of comprehensive income has been prepared.

Servo Computer Services Limited

Balance Sheet as at 31 March 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Tangible assets	7	-	809
Current assets			
Debtors	8	54	-
Creditors: Amounts falling due within one year	9	<u>(4)</u>	<u>(864)</u>
Net current assets/(liabilities)		<u>50</u>	<u>(864)</u>
Total assets less current liabilities		<u>50</u>	<u>(55)</u>
Net assets/(liabilities)		<u>50</u>	<u>(55)</u>
Capital and reserves			
Called up share capital	10	-	-
Capital reserve		34	34
Retained earnings/(losses)		<u>16</u>	<u>(89)</u>
Shareholders' fund/(deficit)		<u>50</u>	<u>(55)</u>

The financial statements have been prepared in accordance with the small companies regime under the Companies Act 2006.

The 28 September 2018 the financial statements were approved by the board of directors, authorised for issue and signed on its behalf by:



S Smith

Director

Company registration number: 01420136

Servo Computer Services Limited

Notes to the financial statements for the year ended 31 March 2018

1 Accounting policies

Basis of preparation

These financial statements are prepared on a basis other than going concern, under historical cost convention and in accordance with the Companies Act 2006 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The principal accounting policies, which have been applied consistently throughout the current and prior year, are set out below.

The functional currency of the Company is considered to be pounds sterling because that is the operational currency of the primary economic environment in which the Company operates.

The Company is a private limited company, limited by shares, and is incorporated and domiciled in the UK and registered in England and Wales. The address of its registered office is Daisy House, Lindred Road Business Park, Nelson, Lancashire BB9 5SR.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken exemptions available to it in the preparation of its financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement, financial instruments, intra-group transactions and remuneration of key management personnel.

Going concern

The Company does not plan to continue to act as a property holding company for the foreseeable future as all properties held by the Company were sold in September 2017 and the Company will be non-trading going forward. Consequently, the financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the Company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such costs were committed at the balance sheet date. No adjustments arose as a result of ceasing to apply the going concern basis.

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Freehold properties which are surplus to requirements and are expected to be sold are valued at their net realisable value.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold properties which are surplus to requirements and freehold land, by equal annual instalments over their expected useful lives. The period generally applicable is:

Asset class
Freehold property

Depreciation method and rate
50 years

Servo Computer Services Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

1 Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities

All financial assets and liabilities are initially measured at the transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset in the statement of financial position only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Exceptional items

Items that are material and non-operating or non-recurring in nature are presented as exceptional administrative items in the statement of income, within the relevant account heading. The directors are of the opinion that the separate recording of exceptional items provides helpful information about the Company's underlying business performance.

Servo Computer Services Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

2 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management continually evaluates the estimates, assumptions and judgements based on available information and experience. There were no critical judgements, estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Exceptional administrative income

The analysis of the company's other operating income for the year is as follows:

	2018 £ 000	2017 £ 000
Profit on disposal	105	-

In September 2017 the property held by the Company was sold for cash consideration of £925,000 creating a profit on disposal of £105,000.

4 Operating result

Operating result is stated after crediting/(charging):

	Year ended 31 March 2018 £ 000	Year ended 31 March 2017 £ 000
Depreciation	-	(8)
Other operating income	105	8

5 Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's financial statements for the current and prior year were £1,000 but were borne by another group entity with no recharge.

There were no non audit fees in the current or prior year.

6 Directors' remuneration

The Company had no employees in the current or prior year.

Any remuneration received by the directors was borne by fellow Daisy Group companies. The Company received a recharge of £nil in respect of directors' remuneration from fellow group companies for the year ended 31 March 2018 (2017: £nil).

Servo Computer Services Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

7 Tangible assets

	Freehold property £ 000
Cost	
At 1 April 2017 and 31 March 2018	1,148
Disposals	<u>(1,148)</u>
	<u>-</u>
Depreciation	
At 1 April 2017	339
Eliminated on disposal	<u>(339)</u>
At 31 March 2018	<u>-</u>
Carrying amount	
At 31 March 2018	<u>-</u>
At 31 March 2017	<u>809</u>

8 Debtors

	2018 £ 000	2017 £ 000
Amounts owed by related parties	<u>54</u>	<u>-</u>

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

9 Creditors: amounts falling due within on year

	2018 £ 000	2017 £ 000
Amounts owed to group undertakings	<u>4</u>	<u>864</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

Servo Computer Services Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

10 Called up share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £0.10 each	<u>1,000</u>	<u>100</u>	<u>1,000</u>	<u>100</u>

The retained losses represents cumulative profits or losses and net of dividends paid.

The capital reserve represents the share capital repurchased by the Company.

11 Contingent liabilities

Daisy Group Limited (formerly Daisy Group plc), a fellow group company, has debt facilities in place which are secured through fixed and floating charges over the assets of the company and its subsidiary undertakings. The total indebtedness against this senior facility at 31 March 2018 was £478.9 million (2017: £417.9 million).

Another fellow group company, Daisy PIKco Limited, has a payment in kind facility in place which is also secured through fixed and floating charges over the assets of the Group. The total indebtedness of this facility at 31 March 2018 was £347.8 million (2017: £305.3 million) including rolled up interest of £92.8 million (2017: £50.3 million).

The directors do not expect any material loss to arise in respect of the group security arrangements in place.

12 Related undertakings

The ultimate parent undertaking and controlling party is Daisy Group Holdings Limited which is the parent undertaking of the smallest and largest group to consolidate these financial statements. The consolidated accounts are available on the companies house website. The registered address of the parent undertaking is Daisy House, Lindred Road Business Park, Nelson, Lancashire, BB9 5SR.

The Company's immediate parent undertaking is Daisy IT Managed Services Limited, a company registered in England.

The Company has no subsidiaries.