Registered number
03725732

Supply Desk Limited

Annual Report and Financial Statements

For the year ended 31 December 2014

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Supply Desk Limited
Company Information

Directors
D Kelly
D Urmson

Company Secretary
K Spedding

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Paul's Place
121 Norfolk Street
Sheffield
S1 2LE

Bankers
Barclays Bank plc
Business Services Team
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1 Churchill Place
London
E14 5HP

Registered office
Second Floor, Sir Wilfrid Newton House, Thorncliffe Park
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Sheffield
South Yorkshire
S35 2PH

Registered number
03725732

Supply Desk Limited

Strategic Report for the year ended 31 December 2014

The directors present their Strategic Report for the year ended 31 December 2014.

Review of the business
The profit and loss account is set out on page 7 and shows the turnover for the year of £20.8m (2013: £18.0m) and an operating profit of £2.0m (2013: £1.5m).

The education market continued to experience challenges and changes over the last 12 months with the introduction of new curricular models, performance-related pay, the continued growth of the academies program and increased floor targets. Ofsted, the schools inspectorate, has continued to focus on under-performing schools and has been very vocal about their intentions to place poor performers with multi-academy trusts. Schools are therefore working hard to ensure that they have a full compliment of teachers and that outcomes are being measured correctly. Although school funding has increased, so has the number of children that it is divisible by, this has put pressure on schools to monitor their finances closely and look for efficient buying partnerships.

Against this background, through innovative delivery models and long term partnerships, we improved levels of output with turnover and gross profit increasing by 16% and 15% respectively. As a result of this, together with selective investment in overheads for future development and a continuous drive for internal efficiencies, the conversion of net fee income (operating profit divided by gross profit) has improved to 30.5% (2013: 26.5%).

Looking forward the underlying market is expected to remain strong for the foreseeable future. A large fall in teacher training numbers due to higher barriers to entry, increased workloads and higher city living costs has been compounded by the highest attrition rates for several decades, increasing birth rates and high levels of employment migration resulting in an increasing teacher shortage.

Cautions and dangers are of course strikes, due to the material changes made to teachers' employment tenure, along with harsh weather, such as snow and flooding, which will always represent an issue. Whilst any change in the governing parties, with the subsequent changes to government policy and legislation, could see a hiatus such as that experienced in 2010.

Principal risks and uncertainties
The market for the provision of temporary and permanent recruitment services to the public sector remains highly competitive. The competitive risk arising from the activities of our competitors and new entrants manifests itself in increased competition for staff, candidates and clients, service development and in pricing pressures.

The Company holds financial instruments to finance its operations. Operations are financed by floating rate invoice discounting and overdraft facilities. In addition various financial instruments such as trade debtors and trade creditors arise directly from the Company's operations. The Company does not enter into any hedging arrangements.

The Company utilises a centralised treasury service which monitors the liquidity and interest rate risk. The Company has access to the invoice discounting and overdraft facilities of its Group. Cash flow is monitored on a regular basis and appropriate action is taken where additional funds are required.

The Company is mainly exposed to credit risk from credit sales. An allowance for impairment is made where there is evidence of a likely reduction in the recoverability of the cash flows. Given the nature of its operations the Company's credit risk is concentrated in public sector clients. It is company policy to assess the credit risk of new customers before entering contracts. The Company does not enter into derivatives to manage credit risk.

This report was approved by the board on 27 May 2015 and signed on its behalf.

D Urmson
Director

The directors present their report and audited financial statements for the year ended 31 December 2014.

Principal activities

The company's principal activity is the supply of permanent and temporary teaching staff to schools and nurseries.

Review of the business

The profit and loss account is set out on page 7 and shows the turnover for the year of £20.8m (2013: £18.0m) *and an operating profit of* £2.0*m* (2013: £1.5m).

An interim dividend of £5,000 (2013: £3,750) per share was paid during the year. The total dividend paid was £1,000,000 (2013: £750,000). The directors do not recommend payment of a final dividend (2013: £nil per share).

Further details for the review of the business and future developments can be found in the strategic report on page 1.

There have been no events since the balance sheet date which materially affect the position of the Company.

Financial instruments

The Company holds financial instruments to finance its operations. Operations are financed by floating rate invoice discounting and overdraft facilities. In addition various financial instruments such as trade debtors and trade creditors arise directly from the Company's operations. The Company does not enter into any hedging arrangements.

The Company utilises a centralised treasury service which monitors the liquidity and interest rate risk. The Company has access to the invoice discounting and overdraft facilities of its Group. Cash flow is monitored on a regular basis and appropriate action is taken where additional funds are required.

Directors

The directors of the company who were in office during the year and up to the signing of the financial statements were:

D Kelly
D Urmson

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Statement of Directors' responsibilities (Continued)

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.

Disclosure of information to auditors

In accordance with Section 418:

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

This report was approved by the board on 27 May 2015 and signed on its behalf.

D Urmson
Director

Report on the financial statements

Our opinion

In our opinion, Supply Desk Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Supply Desk Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors
As explained more fully in the Statement of Directors' Responsibilities set out on pages 3-4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves
We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.

Nicholas Cook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Sheffield
27 May 2015

Supply Desk Limited
Profit and Loss Account
for the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	**20,836,587**	17,990,136
Cost of sales		**(14,224,743)**	(12,244,952)
Gross profit		**6,611,844**	5,745,184
Administrative expenses		**(4,595,609)**	(4,222,598)
Operating profit	3	**2,016,235**	1,522,586
Interest payable and similar charges	5	**(5,355)**	(22,179)
Profit on ordinary activities before taxation		**2,010,880**	1,500,407
Tax on profit on ordinary activities	6	**(434,854)**	(349,037)
Profit for the financial year		**1,576,026**	1,151,370

All results derive from continuing operations.

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historic cost equivalents.

Movement in shareholders' funds are shown in note 14.

Supply Desk Limited
Balance Sheet
as at 31 December 2014

	Notes		2014		2013
			£		£
Fixed assets					
Tangible assets	7		**13,491**		12,938
Current assets					
Debtors	8	**1,984,952**		1,722,988	
Cash at bank and in hand		**2,361,844**		2,315,747	
		4,346,796		4,038,735	
Creditors: amounts falling due within one year	9	**(2,096,935)**		(2,364,347)	
Net current assets			**2,249,861**		1,674,388
Net assets			**2,263,352**		1,687,326
Capital and reserves					
Called up share capital	11		**200**		200
Profit and loss account	12		**2,263,152**		1,687,126
Total shareholders' funds	14		**2,263,352**		1,687,326

The financial statements on pages 7 to 16 were approved by the board and authorised for issue on 27 May 2015

The notes on pages 9 to 16 form part of the financial statements.

D Urmson
Director

Supply Desk Limited Registered Number 03725732

1 Accounting policies

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, and the Companies Act 2006. The financial statements have also been prepared on the basis the Company is a going concern. The following principal accounting policies have been consistently applied over both periods:

Cash flow statement
The Company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the Company are controlled within the Group headed by Synarbor PLC and the Company is included within Synarbor PLC's publicly available consolidated financial statements.

Basis of preparation
The validity of the going concern assumption depends on the Group being able to manage its finances within its own available funding.

In their consideration of going concern the directors have taken account of the financial forecasts for the next 12 months. In particular they have considered both the sufficiency of the Group's current banking facilities and its ability to meet the banking covenants associated with these facilities. As a result of this review the directors consider that the facilities available are adequate and that compliance with covenants can be managed.

Turnover
Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Income from temporary placements is recognised over the period of the placement. Income from permanent placements is recognised at the point of acceptance by both parties when the Company's contractual obligations have been fulfilled.

Deferred Income
Deferred Income represents income where the customer has paid in advance for the services, but which has not yet been used at the balance sheet date. This income is recognised in the profit and loss account only when the services have been supplied.

Tangible Assets and Depreciation
Tangible fixed assets are stated at historic purchase cost less accumulated depreciation.

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

Depreciation is provided to write off all the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Plant and machinery	15% - 33.3% per annum

1 Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have ocurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Leasing

Payments made under operating leases, net of any incentives received from the lessor, are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The Company made contributions to the individual money purchase plans of employees during the year. Contributions to these plans are charged to the profit and loss account in the year in which they become payable.

Equity dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recognised when paid. Final equity dividends are recognised when approved by shareholders at an annual general meeting.

Related party disclosures

The Company has taken advantage of the exemption conferred by paragraph 3(c) of Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with members of the Group headed by Synarbor PLC on the grounds that 100% of the voting rights in the Company are controlled within that Group and the Company is included in the consolidated financial statements of the group.

2 Turnover

The Company's activities consist solely of the supply of permanent and temporary teaching staff to schools and nurseries in the UK.

3 Operating profit

	2014 £	2013 £
This is stated after charging:		
Depreciation of tangible fixed assets	**6,897**	8,212
Operating lease rentals - plant and machinery	**63,630**	71,784
Operating lease rentals - land and buildings	**90,937**	102,462
Auditors' remuneration for audit services	**14,400**	14,400

4 Staff costs (including directors)

	2014 £	2013 £
Wages and salaries	**1,607,843**	1,401,397
Social security costs	**181,973**	157,233
Other pension costs	**12,895**	10,190
	1,802,711	1,568,820

Average monthly number of employees during the year (including directors)	**Number**	**Number**
Administration	**13**	2
Sales	**36**	41
	49	43

No remuneration has been paid to the directors in the current or prior year. All directors' emoluments have been borne by the ultimate parent company, Synarbor PLC. The Directors did not receive any emoluments in respect of their services to the company (2013: £nil).

5 Interest payable and similar charges

	2014 £	2013 £
Bank loans, overdrafts and invoice discounting	**5,355**	22,179

6 Taxation on profit on ordinary activities

	2014	2013
	£	£
Analysis of charge in year		
Current tax:		
UK corporation tax on profits of the year	**431,669**	346,989
Adjustments in respect of previous periods	**2,190**	-
	433,859	346,989
Deferred tax:		
Origination and reversal of timing differences	**995**	2,048
Tax on profit on ordinary activities	**434,854**	349,037

Factors affecting tax charge for the year

The tax assessed for the year is higher (2013: lower) than the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%). The differences are explained as follows:

	2014	2013
	£	£
Profit on ordinary activities before taxation	**2,010,880**	1,500,407
Standard rate of corporation tax in the UK	**21.49%**	23.25%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	**432,201**	348,792
Effects of:		
Expenses not deductible for tax purposes	**538**	(461)
Capital allowances for period in excess of depreciation	**(1,552)**	(1,342)
Movement in short term timing differences	**482**	-
Adjustments in respect of previous periods	**2,190**	-
Current tax charge for the year	**433,859**	346,989

Factors that may affect future tax charges

Corporation tax is calculated at 21.49% (2013: 23.25%) of the estimated assessable profit for the year.

On 3 July 2013 changes to the rates of Corporation Tax were substantively enacted which will reduce the rate to 20% from 1 April 2015. As a result the relevant deferred tax balances have been re-measured accordingly.

7 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2014	31,357
Additions	7,450
Disposals	(11,362)
At 31 December 2014	27,445
Accumulated depreciation	
At 1 January 2014	18,419
Charge for the year	6,897
On disposals	(11,362)
At 31 December 2014	13,954
Net book value	
At 31 December 2014	**13,491**
At 31 December 2013	12,938

8 Debtors

	2014 £	2013 £
Trade debtors	**1,733,647**	1,560,602
Amounts owed by group undertakings	**56,804**	406
Other debtors	**20,872**	16,027
Prepayments and accrued income	**169,802**	141,131
Deferred taxation (see note 10)	**3,827**	4,822
	1,984,952	1,722,988

All amounts shown under debtors fall due for payment within one year.

Trade debtors includes an amount of £nil (2013: £714,253) which is used as security for advances under an invoice discounting facility.

Amounts owed by group undertakings are interest free and there are no fixed terms of repayment.

The deferred tax relates to decelerated capital allowances. The Directors consider that it is more likely than not that there will be sufficient taxable profits in the future such to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

9 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank loans, overdrafts and invoice discounting advances (secured)	-	714,253
Trade creditors	**620,306**	32,868
Amounts owed to group undertakings	**142,802**	183,332
Corporation tax	**290,078**	346,989
Other taxation and social security costs	**508,235**	638,121
Other creditors	**91,453**	113,546
Accruals and deferred income	**444,061**	335,238
	2,096,935	2,364,347

Invoice discounting advances are secured by way of first fixed and floating charges over the present and future assets of the Company.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10 Deferred taxation

	2014 £	2013 £
The deferred tax asset comprises:		
Decelerated capital allowances	3,365	4,822
Short-term timing differences	462	-
Deferred tax asset	3,827	4,822

	2014 £	2013 £
At 1 January	4,822	6,870
Deferred tax charge in profit and loss account	(995)	(2,048)
At 31 December	3,827	4,822

The Directors consider that it is more likely than not that there will be sufficient taxable profits in the future such to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

11 Called up share capital

	2014 Number	2013 Number	2014 £	2013 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	**200**	200	**200**	200

12 Profit and loss account

	2014
	£
At 1 January 2014	1,687,126
Profit for the financial year	1,576,026
Dividends	(1,000,000)
At 31 December 2014	**2,263,152**

13 Dividends

	2014	2013
	£	£
Equity - ordinary		
Interim paid: £5,000 (2013: £3,750) per £1 share	**1,000,000**	750,000

14 Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
At 1 January	**1,687,326**	1,285,956
Profit for the financial year	**1,576,026**	1,151,370
Dividends	**(1,000,000)**	(750,000)
At 31 December	**2,263,352**	1,687,326

15 Pension commitments

The Company has made contributions to the individual money purchase pension plans of candidates and employees during the year.

The pension charge for the year amounted to £23,312 (2013: £10,190). An amount of £2,557 (2013: £13) was outstanding at the end of the financial year.

16 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2014	Land and buildings 2013	Other 2014	Other 2013
	£	£	£	£
Operating leases which expire:				
within one year	**20,996**	20,943	**12,554**	7,838
within two to five years	**35,656**	43,025	**39,441**	48,062
	56,652	63,968	**51,995**	55,900

17 Contingent liabilities

The Company has guaranteed bank borrowings of other group companies. At 31 December 2014 amounts outstanding in respect of these borrowings were £3,850,101 (2013: £5,179,838). In the directors' opinion, no outflow will occur in respect of this guarantee.

18 Ultimate controlling party

At 31 December 2014 the Company's ultimate parent company and controlling party was Synarbor PLC which is the parent of both the smallest and largest group in which the results of the Company are consolidated.

Copies of the consolidated financial statements of Synarbor PLC, a company incorporated in the UK, are available from Synarbor PLC, Sir Wilfrid Newton House, Thorncliffe Park, Chapeltown, Sheffield, S35 2PH.