

Financial Statements

D.R.C. Locums Limited

For the year ended 31 March 2017

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COMPANIES HOUSE

Registered Number 04154956

Company Information

Registered Number

04154956

Registered office:

Partis House
Davy Avenue
Milton Keynes
Buckinghamshire
MK5 8HJ

Auditor:

Grant Thornton UK LLP
Grant Thornton House
202 Silbury Boulevard
Milton Keynes
MK9 1LW

Directors:

James Caan
Deepak Jalan
Jason Stewart
Luke Alexander Williams

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Strategic Report

The directors present their strategic report and directors' report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the Company in the year under review was that of a recruitment agency for the supply of medical contract staff and related services.

Outlook and Current Trading

Business review

The results for the year and financial position of the Company are as shown in these financial statements. Gross profit was £8,002k (2016: £8,631k) down 7% from the prior year, with gross profit margin maintained at 22 % (2016: 22%). The Company generated a profit before tax of £1,150k (2016: £1,468k), a decrease of 22%.

Future Developments

The business will continue to organically grow the nursing and doctors contract divisions and has opened a mental health division in the new financial year to take advantage of this growing market.

The Company will seek strategic acquisitions to supplement its organic growth model in complimentary service streams. In addition, the Company intends to capitalise on its successful managed service and master vendor contracts through a regional key accounts strategy with NHS clients.

Business environment

The UK market for healthcare recruitment has been particularly challenging since 2016 with the implementation of government sponsored charge rate caps and more recently with increased tax burden for Public Sector workers. This has led to uncertainty and delays in the NHS recruitment processes which has exacerbated staff shortages in areas of critical care. By working closely with our key NHS clients, current trading remains robust and we intend to take advantage of competitor fall out from this rapidly evolving marketplace. There has been no change in the fundamental dynamics of the marketplace whereby demand for clinical staff greatly outweighs supply. This situation will only be exacerbated through demographic and other factors further restricting clinician supply in the medium to long term. This is examined further in the "risks and uncertainties" section.

Strategy and future outlook

The Company will continue to focus on organic growth, supplemented by strategic bolt on acquisitions, and rigorous cost control measures to improve profitability. The Company is confident that it can increase its market share and develop new service offering for our clients, over the next year.

Proposed dividend

The directors do not recommend the payment of a dividend (2016: £nil).

Strategic Report

Principal Risks and Uncertainties

The directors recognise that the principal business risks faced by the Company are:

i. National Frameworks

DRC Locums Limited is an approved suppliers of medical locums under the Crown Commercial Services and Collaborative Procurement Partnership National Framework Agreements (NFA). DRC Locums was appointed to the CCS Framework Multi-Disciplinary Framework Agreement for the supply of Doctors, Nurses and AHP's on the 1st September 2015 and is one of 67 agencies appointed, the duration of the CCS Framework Agreement is 4 years. DRC Locums Limited remains as one of the largest suppliers of medical locums to the NHS and is therefore a key supplier of healthcare staff to the NHS and private sectors.

A number of strategic NHS partnership groups have formed a Clinical Staffing Framework covering Doctors, Nurses and AHP's. DRC Locums Limited was appointed on this new Framework known as NHS Collaborative Procurement Partnership (CPP) which went live on the 8th August 2016 and will run for a period of 4 years.

On the 1st March 2017 DRC Locums Limited was appointed to the All Wales Nursing Framework Agreement for the supply of agency nurses. The initial contract period runs for two years followed with an option to extend for a further 24 months.

On the 1st May 2017 DRC Locums Limited was appointed to the NHS National Services Scotland Framework Agreement for the supply of medical locums. The contract will run for a period of 3 years.

ii. Implementation of the reform of the intermediaries legislation for Public Sector engagements

On the 6th April 2017 the government implemented the reform to the intermediaries legislation for Public Sector engagements. Liability to pay the correct employment taxes has moved from the workers own personal service company (PSC's) to the Public Sector body or recruitment agency/third party paying the PSC.

The above has had a major impact on the real or perceived income of workers in the Public Sector to the extent that many have questioned their continuance of working in the Public Sector. Those that are unable to work in the private sector may question the rationale of remaining a Locum Doctor or Nurse and may choose to take a permanent role in the NHS others may choose to return to their country of origin. Management has successfully reacted to the imposition of this legislation through close collaboration with our key NHS Trust clients and our workers. We have partnered with a number of umbrella companies to offer our workers the most efficient employment solution whilst remaining fully compliant with the new legislation.

This has led to us maintaining a stable workforce across DRC Locum limited and Locumlinx's service lines. We believe ultimately that continued expansion of health demand due to factors such as an ageing population will result in a continued increase in health spending per head of population over the medium to long term.

iii. Locum Doctor and Nurse Supply

The Company is dependent upon the ability to source sufficient locum doctors and agency nurses in order to fulfil bookings. The uncertainty caused by Brexit has led to concerns as to the long term availability of non-UK national locums. The Company is focused on the identification and delivery of sufficient locum doctors and nurses in order to mitigate this risk.

Strategic Report

Financing

DRC Locums Limited is reliant for its working capital on the existing invoice factoring, term loan and banking facilities. The directors have completed a detailed review of current trading which has included consideration of the financial position as at the date of approval of these financial statements and the projected results and financial position covering the next 12 months. The directors are confident that the Company will continue to generate positive cash flows from trading activities for the foreseeable future and the Company will continue in operational existence by meeting its liabilities as they fall due for payment.

Employees

DRC Locums Ltd recognises that its employees are its greatest asset and encourages a highly motivated working environment. Employees are given clear targets to achieve and measured against these consistently throughout their career. Support and training is provided to ensure employees develop their skills within the Company.

The companies held have embraced the Government's apprentice initiative enthusiastically and over 10% of our current employees have progressed the start of their careers through this programme.

Key KPIs:

DRC Locums Ltd management use the following KPI's to monitor the Company monthly

- GM per hour: The value in £'s of the Gross Margin made for each worker hour
- Staff Costs as % of Gross Profit: The Group carefully manages their major cost line being Staff Costs with the aim that they are always below a certain level of the Gross Margin
- EBITDA/Gross Profit (Conversion Ratio): This is a traditional measure of the efficiency of a Recruitment Company

By order of the board


Jason Stewart
Director

23/09/17

Directors' Report

Directors

The directors who held office during the year were as follows:

James Caan
Deepak Jalan
Jason Stewart
Luke Alexander Williams

Disclosure of information to auditor


The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

D.R.C. Locums Limited has chosen in accordance with section 414C(11) of the Companies Act to set out in its Strategic Report information that is otherwise required to be contained in the Directors' Report.

By order of the board



Jason Stewart
Director

23/09/17

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the 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 they 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 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 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 steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the members of D.R.C. Locums Limited

We have audited the financial statements of D.R.C. Locums Limited for the year ended 31 March 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes. 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 FRS 102 The Financial Reporting Standard in the UK and Republic of Ireland.

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 5, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2017 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.

Opinion on other matters 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.

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

- 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; and
- The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the members of D.R.C. Locums Limited (continued)

Matters on which we are required to report under the Companies Act 2006

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 material misstatements in the Strategic Report or the Directors' Report.

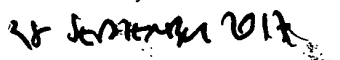
Matters on which we are required to report by exception

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.



Giles Mullins
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes



Profit and Loss Account for the year ended 31 March 2017

	Note	2017 £000	2016 £000
Turnover	2	36,667	39,070
Cost of sales		(28,665)	(30,439)
Gross profit		8,002	8,631
Administrative expenses		(6,802)	(7,219)
Other Income	4	-	218
Operating profit	3	1,200	1,630
Interest payable and similar charges	7	(50)	(162)
Profit on ordinary activities before taxation		1,150	1,468
Taxation on profit from ordinary activities	8	(205)	(278)
Profit for the financial year		945	1,190

All results are derived from continuing operations.

There are no recognised gains and losses other than those stated above and therefore no separate Statement of Other Comprehensive Income has been presented.

The notes on pages 11 to 19 form part of these financial statements.

Balance Sheet at 31 March 2017

	Note	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Tangible assets	9		<u>162</u>		<u>106</u>
Current assets					
Debtors	10	8,798		7,588	
Cash at bank and in hand		<u>898</u>		<u>229</u>	
		9,696		7,817	
Creditors: amounts falling due within one year:	11	<u>(4,270)</u>		<u>(3,255)</u>	
Net current assets			<u>5,426</u>		<u>4,562</u>
Total assets less current liabilities			<u>5,588</u>		<u>4,668</u>
Provisions for liabilities	12		<u>(57)</u>		<u>(82)</u>
Net assets			<u>5,531</u>		<u>4,586</u>
Capital and reserves					
Called up share capital	13		-		-
Profit and loss account			<u>5,531</u>		<u>4,586</u>
Shareholder's funds			<u>5,531</u>		<u>4,586</u>

These financial statements were approved by the board of directors on 27/9/2017 and were signed on its behalf:

Jason Stewart
 Director

Company registered number 04154956

The notes on pages 11 to 19 form part of these financial statements

	Called up share Capital £000	Profit and Loss Account £000	Total Equity £000
Year ended 31 March 2016			
Balance at 1 April 2015	-	3,396	3,396
Total comprehensive income for the period	-	1,190	1,190
Profit			
Balance at 31 March 2016	-	4,586	4,586

	Called up share Capital £000	Profit and Loss Account £000	Total Equity £000
Year ended 31 March 2017			
Balance at 1 April 2016	-	4,586	4,586
Total comprehensive income for the period	-	945	945
Profit			
Balance at 31 March 2017	-	5,531	5,531

The notes on page 11 to 19 form part of these financial statements

Notes to the financial statements

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (IFRS 102²). The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The ultimate controlling party is Syndicated Investor Group Limited, a company incorporated in Hong Kong.

The largest group in which the results of the Company and its subsidiaries are consolidated is headed by HB Healthcare Limited. The consolidated financial statements of HB Healthcare Limited are prepared in accordance with FRS102 as adopted by the EU and are available to the public and may be obtained from the Partis House, Davy Avenue, Milton Keynes, MK5 8HJ.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes
- Key Management Personnel Compensation

As the consolidated financial statements of HB Healthcare Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

1.1 Measurement Convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

DRC Locums Limited is reliant for its working capital on the existing invoice factoring, term loan and banking facilities. The directors have completed a detailed review of current trading which has included consideration of the financial position as at the date of approval of these financial statements and the projected results and financial position covering the next 12 months.

The Directors are confident that the Company will continue to generate positive cash flows from trading activities for the foreseeable future and the Company will continue in operational existence by meeting its liabilities as they fall due for payment

Notes to the financial statements

1 Accounting policies (continued)

1.2 Going concern (continued)

DRC Locums Limited is an approved suppliers of medical locums under the Crown Commercial Services and Collaborative Procurement Partnership National Framework Agreements (NFA). DRC Locums was appointed to the CCS Framework Multi-Disciplinary Framework Agreement for the supply of Doctors, Nurses and AHP's on the 1st September 2015 and is one of 67 agencies appointed, the duration of the CCS Framework Agreement is 4 years. DRC Locums Limited remains as one of the largest suppliers of medical locums to the NHS and is therefore a key supplier of healthcare staff to the NHS and private sectors.

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On the 1st May 2017 DRC Locums Limited was appointed to the NHS National Services Scotland Framework Agreement for the supply of medical locums. The contract will run for a period of 3 years.

1.3 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Interest-bearing borrowings classified as basic financial instruments.

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.4 Tangible Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the

Notes to the financial statements

lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Computer equipment 5 years
- Fixtures and fittings 5 years
- Leasehold improvements 14% straight line (the life of the lease)

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.5 Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

1.6 Turnover

Turnover represents amounts receivable for the provision of contract staff and related services. Turnover arising from, the placement of permanent candidates is recognised at the time the candidate commences full-time employment.

Turnover arising from the placement of temporary staff is recognised over the period that temporary staff are provided and represents amounts billed for temporary staff, including the salary costs of these staff.

1.7 Operating Leases

All leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Notes to the financial statements

2 Analysis of turnover

Turnover is wholly attributable to the principal activity of the Company and arises in the United Kingdom.

3 Profit on ordinary activities

	2017 £000	2016 £000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible assets	48	63
Auditor remuneration:		
Fees payable to the Company's auditor for audit services	15	20
Tax	4	4
Operating leases:		
Plant and machinery	195	300
Other	59	15

4 Other operating income

	2017 £000	2016 £000
Rental income	-	218

5 Remuneration of directors

	2017 £000	2016 £000
Directors' emoluments	257	332
	257	332

The highest paid director received remuneration of £257k (2016:£332k)

The value of the company contribution paid to a defined contribution scheme in respect of the highest paid director amounted to £31k (2016: £48k)

Notes to the financial statements

6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Sales	96	86
Administration	29	26
	<u>125</u>	<u>112</u>

The aggregate payroll costs of these persons (excluding unpaid directors) were as follows:

	2017	2016
	£000	£000
Wages and salaries	4,712	4,752
Social security costs	541	548
Pensions	22	19
	<u>5,275</u>	<u>5,319</u>

7 Interest payable and similar charges

	2017	2016
	£000	£000
Invoice discounting interest	51	161
Other interest	-	1
	<u>51</u>	<u>162</u>

Notes to the financial statements

8 Taxation

Total tax expense recognised in the profit and loss account.

	2017 £000	2017 £000	2016 £000	2016 £000
Current Tax				
Current tax on income for the year	191		276	
Total current tax		191		276
Deferred tax				
Origination and reversal of timing differences	13		2	
Total deferred tax		13		2
Total tax		205		278

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2016: higher) than the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below.

	2017 £000	2016 £000
Current tax reconciliation		
Profit on ordinary activities before tax	1,150	1,468
Current tax at 20% (2016: 20%)	230	294
Effects of:		
Expenses not deductible for tax purposes	1	2
Group relief claimed	(24)	(18)
Adjustments to tax charge in respect of previous periods	(2)	-
Adjustments to tax charge in respect of current period	-	6
Effect of changes in tax rate on fixed asset movements	-	(6)
Total tax charge (see above)	205	278

Notes to the financial statements

8 Taxation (continued)

Factors that may affect future tax charges

The standard rate of UK corporation tax reduced from 21% to 20% with the effect from 1 April 2015. Accordingly the company's results for this accounting period are taxed at an effective rate of 20%. It was announced in the Budget of 8 July 2015 that the UK corporation tax rate will reduce to 19% from 1 April 2017 and to 18% from 1 April 2020. These rates were substantively enacted in October 2015. Further changes to the UK corporation tax rate were proposed in the budget of 16 March 2016 to further reduce the rate from 1 April 2020 to 17%. This rate was substantively enacted in September 2016. Deferred tax balances have been stated at a rate which items are expected to reverse in line with the dates noted above.

Deferred tax asset

The Company has recorded a deferred tax asset/(liability) of (£7k) (2016: £7k) in relation to accelerated capital allowances.

9 Tangible fixed assets

	Computer Equipment £000	Furniture and fittings £000	Leasehold improvements £000	Total £000
Cost				
At beginning of year	637	226	48	911
Additions	104	-	-	104
At end of year	<u>741</u>	<u>226</u>	<u>48</u>	<u>1,015</u>
Depreciation				
At beginning of year	546	226	33	805
Charge for year	40	-	8	48
At end of year	<u>586</u>	<u>226</u>	<u>41</u>	<u>853</u>
Net book value				
At 31 March 2017	<u>155</u>	<u>-</u>	<u>7</u>	<u>162</u>
At 31 March 2016	<u>91</u>	<u>-</u>	<u>15</u>	<u>106</u>

Notes to the financial statements

10 Debtors

	2017	2016
	£000	£000
Trade debtors	1,252	691
Other debtors	9	28
Prepayments and accrued income	1,214	1,776
Amounts due from group undertakings	6,323	5,086
Deferred tax asset (see note 8)	-	7
	<u>8,798</u>	<u>7,588</u>

The trade debtors of £1,252k (2016: £691k) disclosed above is the result of netting off gross trade debtors of £3,579k (2016: £5,177k) and the related invoice factoring liability of £2,327k (2016: £4,486k) in line with FRS 102 guidelines.

11 Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	341	371
Amounts owed to group undertakings	1,300	635
Taxation and social security	1,498	814
Corporation Tax	133	155
Deferred Tax liability (see note 8)	7	
Other Creditors	597	249
Accruals and deferred income	394	1,031
	<u>4,270</u>	<u>3,255</u>

Bank Loans and advances on the invoice discounting account are secured by fixed and floating charges over the assets of the Company.

12 Provisions

	Dilapidations
	£000
At beginning of year	82
Utilised during year	(51)
Charge to the profit and loss for the year	26
At end of year	<u>57</u>

13 Called up share capital

	2017	2016
	£	£
Allotted, called up and fully paid 10,000 Ordinary shares of £0.01 each	<u>100</u>	<u>100</u>

Notes to the financial statements

14 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017 Land and buildings £000	2017 Other £000	2016 Land and buildings £000	2016 Other £000
Less than one year	120	55	195	11
Between one and five years	521	24	505	4
More than five years	<u>193</u>	<u>-</u>	<u>329</u>	<u>-</u>

During the year £254k was recognised as an expense in the profit and loss account in respect of operating leases (2016: £315k).

15 Related Party Transactions

During the year DRC Locums Limited, incurred £288,000 (2016: £282,000) of board fees from Hamilton Bradshaw Limited. At the year-end £30,000 (2016 £nil) was due to Hamilton Bradshaw Limited. Directors of DRC Locums limited are holding directorships at Hamilton Bradshaw Limited. All of the transaction are arms-length rates.

As the Company is a wholly owned subsidiary of HB Healthcare Limited, the Company has taken advantage of the exemption contained in FRS 102,33.1.A and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

16 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company is a wholly owned subsidiary undertaking of D.R.C. Holding Company Limited.

The ultimate controlling party is Syndicated Investor Group Limited, a company incorporated in Hong Kong.

The largest group in which the results of the Company are consolidated is that headed by HB Healthcare Limited, incorporated in the United Kingdom. The consolidated financial statements are available to the public and may be obtained from Partis House, Davy Avenue, Milton Keynes, MK5 8HJ.