Company Registration No. 04197152

Maxxima Limited

Annual report and financial statements

For the year ended 31 December 2020

Maxxima Limited

Contents

Maxxima Limited

Strategic report

The directors, in preparing this strategic report, have complied with Section 414C of the Companies Act 2006.

Principal activity and Business review

Maxxima Limited is engaged in the provision of highly skilled and specialised workforce solutions and services across the health care industry. The company operates in United Kingdom.

The results for the year ended 31 December 2020 are set out in the Profit and loss account on page 11. Revenue has declined from £35.2m in the year ended 31 December 2019 to £31.4m in the year ended 31 December 2020 and profit after tax has declined from £2.2m in the year ended 31 December 2019 to £1.7m in the year ended 31 December 2020.

The company is managed as part of a larger group and further detail is available in the consolidated financial statements of Acacium Group Limited (the "group").

Acacium Group Limited was incorporated on 7 April 2020. During the year, its subsidiary, Impala Bidco 0 Limited acquired Indigo Parent Limited (and its subsidiaries, including the company).

In the year, the company focused on improving its service offering, geographical coverage and quality of service. The directors continue to adopt the following strategies to achieve these objectives:

- Expand the company's UK specialised staffing leadership position, using our scale and digital solutions to continually offer candidates and clients better service and range of opportunities
- Invest in process improvement, technology and analytics to improve user experience and drive productivity across the company.

Performance analysis

The Board monitors performance regularly throughout the period by reviewing a range of key performance indicators (KPIs). These include a range of customer, agency worker and employee focused indicators set to ensure that regulatory compliance and high quality of service is maintained along with commercial efficiency.

The principal financial KPIs for the company are gross profit and gross profit per staff member, being the key measure of the productivity of the workforce.

Total gross profit for the year was £4.5m (2019 - £4.1m). Average gross profit per staff member for the year is £58,777 (2019 - £45,389). Both gross profit and gross profit per head increased in the year primarily due to change in the engagement model with certain clients.

Operating cash flows decreased as compared to prior year, cash and cash equivalents increased from £1.0m in 2019 to £1.5m in the current year following increased operating expenses.

In addition to monitoring the trading performance across the company, we are following governmental and NHS guidelines to ensure that the company is safeguarding the wellbeing of employees, candidates and service users whilst continuing to work closely with clients to support their changing needs.

Employee engagement

The company places considerable value on the engagement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through regular employee engagement surveys, formal and informal meetings, company-wide events, diversity and inclusion networks and newsletters. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

Information regarding employee numbers and costs in accordance with Section 414C (7) of the Companies Act 2006 are detailed in note 7 on page 20 of the financial statements.

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Maxxima Limited

Strategic report (continued)

Research and development

The markets in which the company operates are highly competitive and the business is encouraged to continually research and develop new and innovative services and to improve processes in order to meet client and candidate demands in a changing market. Improvements are focused on using data and digital enablement to deliver enhanced productivity, improved client and candidate experience of our services and developing new service offerings which meet the requirements of the NHS Long Term Plan.

Future developments

The company is well positioned for the future. The company's strategy has been developed to support our clients in dealing with the underlying trend of increasing demand for healthcare services.

Principal risks and uncertainties

The company actively considers and manages its risks. The directors consider the company to be subject to the following material areas of risk:

Business and operational risk management

- Generating revenue from clients: The company provides its workforce solutions and services to the healthcare sector. As with many businesses, the company has an inherent risk arising from the political and economic climates in the UK and other jurisdictions where it operates, including regulatory risk. The company's principal market is the UK which has long term drivers which include the UK's growing and ageing population and the need to deliver new healthcare delivery models in light of ongoing structural resource shortages. Such markets can be impacted by short term regulatory initiatives although, excluding the current response to Covid-19 described further below, no material new regulations have been announced recently
- Availability of skilled workforce: The company's ability to meet demand is influenced by its ability to attract and retain candidates with the requisite skill sets. This supply side risk is impacted by external factors such as the regulation of agency staff in the UK, candidate experience and the speed with which the workforce can be deployed
- Clinical risk: Like all providers to the health care sectors, the company is required to adhere to clinical standards with regard to the workforce solutions and services provided
- Covid-19 risk: The directors recognise that there is still significant uncertainty as to how long the crisis will last and what the consequences will be from any subsequent waves. However, given the company's business model and the trading experienced to date, together with the interactions with our clients, the net impact of the different demand, supply and business continuity factors being observed across the company and the insight being derived from across the business, the Board do not believe that the crisis will have an adverse impact on the company's liquidity and trading in the future. Further, given the group's trading experienced to date, the Board expects stable performance across the group, and therefore the group will continue to support the company.

Financial risk management

- Credit risk: the company's principal financial assets are cash, and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. This is managed by regular monitoring of client trade receivable accounts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers
- Liquidity risk: in order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, management regularly reviews the cash flows and financing arrangements of the business and group and where deficits are forecast, the company is able to draw on group funding.

Maxxima Limited

Strategic report (continued)

Approved by the Board of Directors and signed on its behalf:

DocuSigned by:
Tom Richards
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T C Richards

Director

27 September 2021 | 18:27:17 BST

Maxxima Limited

Directors' report

The directors present their annual report on the affairs of the company together with the audited financial statements and independent auditor's report for the year ended 31 December 2020.

Dividends

Dividends of £2.0m (2019 - £12.9m) were declared and paid during the year.

Directors and directors' indemnities

The directors, who served throughout the year and up to the date of this report, were as follows:

Thomas Richards
Michael Barnard
Richard MacMillan (Resigned 18 September 2020)

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and financial statements as disclosed in note 2 on page 14 of the financial statements.

In making the going concern assessment the directors have considered the potential impact of Covid-19 on the company as well as the wider group and have assessed the liquidity points below:

- at the date of these accounts, the group has not seen any reduction in levels of cash collection compared to pre-crisis levels;
- following the agreement of a new senior loan facility of £375m and revolving capital facility of £45m in June 2021, there are no repayments falling due within 12 months from the date of signature of these financial statements;
- and the group retains access to the £45m revolving capital facility which remains undrawn as at the date of signature of these financial statements;
- A liquidity analysis has been performed which forecasts sufficient cash reserves and headroom on covenants

Although coronavirus developments are fluid and subject to significant change, the expected trading impact reflects the role that the group can play in acting as a workforce partner with new and existing clients through this period of disruption and reflects the benefits of the group's increasingly diversified offering in ensuring that liquidity is maintained.

The Board recognises that the ability to forecast accurately at the present time is challenging but believes that it remains appropriate to prepare the accounts on a going concern basis.

Future developments

Details of the future developments of the company are explained on page 4 in the strategic report and form part of this report by cross-reference.

Risk management

Risk management including financial risk management of the company is detailed on page 4 and 5 in the strategic report and form part of this report by cross-reference.

Post balance sheet events

There were no post balance sheet events.

Directors' report (continued)

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the 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 confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Statement of Directors' responsibilities

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 101 "Reduced Disclosure Framework". 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; 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 reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors and signed on its behalf:

DocuSigned by:
Tom Richards
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T C Richards
Director

27 September 2021 | 18:27:17 BST

Independent auditor's report to the members of Maxxima Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Maxxima Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 Financial Reporting Council's (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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to material misstatement in the financial statements themselves. 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 this regard.

Maxxima Limited

Independent auditor's report to the members of Maxxima Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. There were no such frameworks identified.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- we have pinpiointed our presumed fraud risk due to revenue recognition to the posting of manual journals to revenue.
  we evaluated the design and implementation of the key control in the revenue process; and
  we audited all manual journals, other than journals which had a net impact of zero and where below a trivial threshold, by assessing the rational of the journal and agreeing to supporting evidence.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Maxxima Limited

Independent auditor's report to the members of Maxxima Limited (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing any correspondence with HMRC

Report on other legal and regulatory requirements

Opinions on other matters 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 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 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 strategic report and 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
- we have not received all the information and explanations we require for our audit;

We have nothing to report in respect of these matters.

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.

DocuSigned by:
HWildman
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Helen Wildman BA ACA *(Senior statutory auditor)*
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

27 September 2021 | 19:26:22 BST

Maxxima Limited

Profit and loss account

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	4	31,388	35,197
Cost of Sales		(26,845)	(31,102)
Gross Profit		**4,543**	**4,095**
Other operating expenses		(2,856)	(1,888)
Operating Profit	5	**1,687**	**2,207**
Interest income	6	2	17
Interest expense	6	(32)	(41)
Profit before taxation		**1,657**	**2,183**
Tax on profit	8	1	13
Profit for the financial year		**1,658**	**2,196**

The notes on pages 14 to 25 are an integral part of these financial statements.

All results relate to continuing operations.

There are no items of other comprehensive income in either year other than those reflected in the profit and loss account. Accordingly, no separate statement of other comprehensive income is presented.

Maxxima Limited

Balance sheet

As at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	9	84	91
Tangible assets	10	634	977
		718	**1,068**
Current assets			
Deferred tax asset	11	9	8
Debtors: amounts falling due within one year	12	8,788	9,437
Cash and cash equivalents		1,530	1,031
		10,327	**10,476**
Total assets		**11,045**	**11,544**
Creditors: amounts falling due within one year	13	(7,770)	(7,629)
Net current assets		**2,557**	**2,847**
Total assets less current liabilities		**3,275**	**3,915**
Non-current liabilities			
Provisions for other liabilities	14	(57)	(57)
Other non-current liabilities	15	(133)	(431)
Net assets		**3,085**	**3,427**
Capital and reserves			
Called up share capital	17	-	-
Profit and loss account		3,085	3,427
Shareholder funds		**3,085**	**3,427**

The notes on pages 14 to 25 are an integral part of these financial statements.

The financial statements of Maxxima Limited (registered number 04197152) were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

DocuSigned by:
Tom Richards
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T C Richards
Director

27 September 2021 | 18:27:17 BST

Statement of changes in equity

For the year ended 31 December 2020

	Called up share capital £'000	Profit and loss account £'000	Total Equity £'000
At 1 January 2019	-	14,131	14,131
Profit and total comprehensive income for the year	-	2,196	2,196
Dividends	-	(12,900)	(12,900)
Balance at 31 December 2019	-	**3,427**	**3,427**
Profit and total comprehensive income for the year	-	1,658	1,658
Dividends	-	(2,000)	(2,000)
Balance at 31 December 2020	-	**3,085**	**3,085**

Maxxima Limited

Notes to the financial statements

For the year ended 31 December 2020

1. General information

Maxxima Limited is a private company limited by shares, registered in England and Wales, and incorporated in the United Kingdom under the Companies Act 2006. The registered office address of the company is Turnford Place, Great Cambridge Road, Turnford, Broxbourne, England, EN10 6NH. The nature of the company's operations and its principal activities are set out in the strategic report on page 3.

2. Accounting policies

2.1 Basis of accounting

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The company financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to such things as (to the extent applicable to the company) business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group financial statements of Acacium Group Limited; which are available to the public and can be obtained as set out in note 20.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year in dealing with material items in the financial statements.

2.2 New and revised IFRSs

During the year, the standards which were amended and implemented were:

- Amendments to IFRS 3 – Definition of a business
- Amendments to IAS 1 and IAS 8 – Definition of material
- Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9, IAS 39 and IFRS 7

There was no impact in the statutory accounts from the implementation of these standards.

2.3 Going concern

The directors are assessing, on a daily basis, the impact of the significant uncertainty arising from the Covid-19 virus. Whilst the directors appreciate there is significant uncertainty surrounding the future economic climate, the directors have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future. Acacium Group Limited, the intermediate parent company, has agreed to provide financial assistance as necessary for at least 12 months from the date of signature of the financial statements. The directors are satisfied that the company will be able to satisfy its obligations for at least 12 months from the date of signature of the financial statements, which have been prepared on the going concern basis.

Further information on Going Concern is included in the directors' report on page 6 and in consolidated financial statements of Acacium Group Limited.

2.4 Revenue recognition

The company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major sources:

- Permanent staff
- Temporary staff

Permanent staff

The company provides placements of permanent staff. Revenue from the placement of permanent staff represents the contractual commission receivable, excluding value added tax, and is recognised (net of any provisions for clawback under the contract) when the performance obligations are satisfied – being the placement of the candidate with the end client.

Temporary staff

The company provides placements of temporary staff. Revenue from the placement of temporary staff represents the gross sales value of hours worked and is recognised when the performance obligations are satisfied– being the working of hours by the staff.

2.5 Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.6 Finance costs

Where financial liabilities are measured at amortised cost using the effective interest method, interest expense is recognised on an effective yield basis in profit or loss within finance costs.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and released to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred

2.7 Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year.

Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2.7 Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.8 Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is provided to write off the cost less the estimated residual value of intangible fixed assets by equal instalments over the estimated useful economic lives of the assets. These intangible assets are being amortised as follows:

Computer software	3 years

Amortisation is included in administrative expenses.

2.9 Tangible fixed assets

Leasehold property comprises office accommodation and is shown at historical cost of acquiring the lease, less leasehold amortisation over the duration of the leasehold acquired. The cost of improvements to the lease acquired, to allow the accommodation to be of use for the purpose of the company, are added to the cost of the lease, and less subsequent amortisation based on the duration of the property leasehold. No revaluations are undertaken on leasehold property.

Furniture and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	over the term of the lease
Furniture and fittings	3 – 10 years
Right-of-use assets	over the term of the lease

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period.

Impairment of tangible and intangible assets

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Impairment of tangible and intangible assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.10 Leases

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the company. A right-of-use asset and lease liability in respect of each lease is recognised in the company balance sheet at the present value of the expected future lease payments that are unpaid at the commencement date. The lease payments are discounted to their present value using the company's incremental borrowing rate. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The company applies the cost model to subsequently measure the right-of-use assets, applying the depreciation requirements in IAS 16 Property, Plant & Equipment by depreciating right-of-use assets on a straight-line basis over the lease term. Right-of-use asset is assessed annually for impairment on a lease by lease basis and any impairment charge recognised is taken to the income statement.

Right-of-use assets are adjusted for any remeasurement of the lease liability, which is undertaken if there is a change in the lease term or there is an option to purchase the underlying assets.

Lease liabilities are subsequently measured after initial recognition by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect lease payments made. The carrying amount of lease liabilities is also adjusted to reflect any reassessment or lease modifications. In the event that lease incentives are received to enter into any leases, such incentives are incorporated on initial measurement of the lease liability. The aggregate benefit of incentives is recognised on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease assets and liabilities recognised represent contracts entered in to by the company for its office properties, vehicle leasing, IT equipment and other equipment. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Extension and termination options are included in a number of leases within the company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or a termination option. Extension options or early termination options are only included in the assessment of the expected lease term if the lease is reasonably certain to be extended or terminated.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The company applies a single discount rate to the portfolio of leases with reasonably similar characteristics.

2.11 Provisions

Provisions for leased property dilapidations, and any other anticipated foreseen liabilities are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

2.12 Government grants

Where the company has received grants, these have been accounted for under the accrual model on a net basis.

2.13 Foreign currency

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

2.14 Financial assets and liabilities

(a) Classification of financial assets and financial liabilities

Trade and other receivables, loans to receivables and cash and bank balances are classified and measured at 'amortised cost'.

(b) Impairment of financial assets

Financial assets are impaired using the 'expected credit loss' (ECL) model. The model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Impairment provisions for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(c) General hedge accounting

From time to time the group uses interest rate swaps and interest rate caps to mitigate the interest rate risk associated with its bank borrowings. When applicable these are initially recognised at fair value on the date the derivative contracts were entered into and are subsequently re-measured at their fair value. Fair value is measured using prevailing market data and recognised valuation techniques, which is classified as Level 2 in the fair value hierarchy. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

The derivative instruments meet the criteria specified in IAS 39 and have been designated a cash flow hedge. At the inception of the transaction, the group documented the relationship between each derivative as hedging instrument and bank borrowings as hedged item, as well as the risk management objectives and strategy for undertaking the transaction. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives are effective in offsetting changes in cash flows of the hedged item.

Movements in fair value are recognised in the Statement of Comprehensive Income. The hedge was fully effective in the year; however, any gain or loss relating to an ineffective portion would be recognised immediately in the income statement. The interest settlement on the derivative or cap is recognised in the income statement within finance expense.

When the derivative or cap expires or is sold, or if it no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time would be recognised in the income statement.

2.14 Financial assets and liabilities (continued)

(c) General hedge accounting (continued)

Non-derivative financial instruments comprise investments, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Services provided to client, which at the period end date have not been billed, are recognised as accrued income and included in trade and other receivables. Accrued income is valued initially at fair value less any expected impairment losses.

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents comprise cash balances and call deposits.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs.

Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

(d) Impairment of financial assets (including receivables):

A financial asset not at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. For trade receivables, the company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

3. Key sources of estimation uncertainty and critical accounting judgements

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.

In determining whether there have been any indicators of impairments to the intangible assets, management considers both external and internal sources of information such as market conditions, experience of recoverability and expected cash flows deriving from the assets.

There are no other critical accounting judgements or key sources of estimation uncertainty in the year.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2020

4. Turnover

All turnover relates to the provision of staffing services to the healthcare sector and is derived from the United Kingdom except for £273,000 (2019 - £242,000) generated in Europe.

Disaggregation of revenue	2020 £'000	2019 £'000
Permanent staff	220	66
Temporary staff	31,168	35,131
Total revenue	**31,388**	**35,197**

5. Notes to the profit and loss account

Profit before taxation is calculated after charging the following items:

	Note	2020 £'000	2019 £'000
Depreciation of tangible fixed assets owned	10	62	101
Depreciation of right-of-use asset	10	284	287
Amortisation of intangible assets	9	23	31

The audit fee of £14,819 (2019 - £13,211) for Maxxima Limited for the audit of the financial statements and is paid on its behalf by another group company.

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

6. Interest income and expense

	2020 £'000	2019 £'000
Interest receivable:		
- Bank interest	2	17
Interest income	**2**	**17**
Interest payable:		
- Interest on lease liabilities	(32)	(41)
Interest expense	**(32)**	**(41)**
Net finance expense	**(30)**	**(24)**

7. Employees

7.1 Employee benefit expense

	2020 £'000	2019 £'000
Wages and salaries	3,774	3,709
Social security costs	448	411
Pension costs - defined contribution schemes	97	100
Total employee benefit expense	**4,319**	**4,220**

The company operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the company to the scheme. There was £nil (2019 - £nil) outstanding at the year end.

7.2 Average monthly number of people employed

	2020	2019
Average number of people employed (including directors)		
Management	1	1
Operations	68	77
Administration	8	12
Average number of employees	**77**	**90**

The directors were paid through fellow group companies for their services to the entire group with no amounts recharged to this company throughout both years.

8. Tax on profit

Tax charged to profit and loss comprises:

	Note	2020 £'000	2019 £'000
Current tax			
Current tax on profits for the year		(2)	-
Current tax credit		**(2)**	**-**
Deferred tax			
Deferred credit for the year		(1)	(8)
Adjustment in respect of prior years		4	(5)
Effect of change in tax rate		(2)	-
Deferred tax charge/(credit)	11	**1**	**(13)**
Tax credit		**(1)**	**(13)**

The tax on the company's profit before tax differs from the theoretical amount that would arise using the standard tax rate of 19.00% (2019 - 19.00%) applicable to profits of the company.

The credit for the year can be reconciled to the profit in the profit and loss account as follows:

	2020 £'000	2019 £'000
Profit before taxation	**1,657**	**2,183**
At standard UK corporation tax rate of 19.00% (2019 - 19.00%)	315	415
Group relief	(317)	(428)
Expenses not deductible	(2)	5
Adjustments in respect of prior years	4	(5)
Effect of change in tax rate	(1)	-
Tax credit	**(1)**	**(13)**

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2020

9. Intangible asset

	Note	Computer software £'000
Cost		
As at 1 January 2020		139
Additions		16
As at 31 December 2020		**155**
Accumulated amortisation		
As at 1 January 2020		48
Amortisation	5	23
As at 31 December 2020		**71**
Net book value		
As at 31 December 2019		91
As at 31 December 2020		**84**

10. Tangible fixed assets

	Note	Leasehold improvements £'000	Furniture and equipment £'000	Right-of-use assets Note 16 £'000	Total £'000
Cost					
As at 1 January 2020		335	499	1,220	2,054
Additions		-	3	-	3
As at 31 December 2020		**335**	**502**	**1,220**	**2,057**
Accumulated depreciation					
As at 1 January 2020		98	427	552	1,077
Depreciation	5	33	29	284	346
As at 31 December 2020		**131**	**456**	**836**	**1,423**
Net book value					
As at 31 December 2019		237	72	668	977
As at 31 December 2020		**204**	**46**	**384**	**634**

11. Deferred tax

Deferred tax is provided as follows:

	Note	£'000
Balance at 1 January 2019		(5)
Deferred tax charge	8	13
Balance at 1 January 2020		**8**
Deferred tax credit	8	1
At 31 December 2020		**9**

The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from April 2023. This rate was not been substantively enacted at the balance sheet date, as a result deferred tax balances as at 31 December 2020 were measured at 19%. If all of the deferred tax was to reverse at the amended 25% rate the impact on the closing deferred tax asset position would be to increase asset by £2,000.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2020

12. Debtors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade debtors - net	2,578	3,258
Amounts owed by other group entities	4,848	4,703
Prepayments and accrued income	1,310	1,470
Other debtors	52	6
	8,788	**9,437**

The amounts owed by other group entities and immediate parent entity are repayable on demand and are not subject to interest in either year.

The transactions entered between Maxxima Limited and fellow group entities are between subsidiaries which are wholly owned by the same entity.

Debtors disclosed above include amounts which are past due at the reporting date but against which the company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Movement in allowance for doubtful debtors:

	2020 £'000	2019 £'000
Brought forward provision	5	40
Provision release	(3)	(35)
Balance at the end of the year	**2**	**5**

These balances are held against debtors.

13. Creditors: amounts falling due within one year

	Note	2020 £'000	2019 £'000
Trade creditors		826	1,667
Accruals and deferred income		1,334	865
Amounts owed to immediate parent entity		716	22
Amounts owed to other group entities		3,924	4,465
Social security and other taxes		673	322
Lease liabilities	16	297	288
		7,770	**7,629**

The amounts owed to other group entities and immediate parent entity are repayable on demand and are not subject to interest charge in either year.

The transactions entered between Maxxima Limited and fellow group entities are between subsidiaries which are wholly owned by the same entity.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2020

14. Provision for liabilities

	£'000
As at 1 January 2020	**57**
Amounts charged	-
At 31 December 2020	**57**

Provision has been made based upon the directors' best estimate of the costs which will be incurred in bringing company properties held under operating leases into an acceptable state as required at the end of the leases.

Based on the contract periods of current leases it is expected that the majority of this expenditure will incur within the next ten years.

15. Other non-current liabilities

	Note	2020 £'000	2019 £'000
Lease liabilities	16	133	431
		133	431

16. Leases

The balance sheet and the income statement show the following amounts in respect of leases during the year ended 31 December 2020.

Right-of-use assets

	Property £'000	IT equipment £'000	Other equipment £'000	Total £'000
Cost				
As at 1 January 2020	1,207	7	6	1,220
As at 31 December 2020	**1,207**	**7**	**6**	**1,220**
Accumulated depreciation				
As at 1 January 2020	545	7	-	552
Charge for the year	283	-	1	284
As at 31 December 2020	**828**	**7**	**1**	**836**
Net book value				
As at 31 December 2019	662	-	6	668
As at 31 December 2020	**379**	**-**	**5**	**384**

The depreciation expense of right-of-use assets of £284,000 (2019 - £287,000) has been charged in administrative expenses.

Lease liabilities

	Property £'000	IT equipment £'000	Other equipment £'000	Total £'000
As at 1 January 2020	713	-	6	719
Interest expense on lease liabilities	32	-	-	32
Lease payments	(319)	-	(2)	(321)
At 31 December 2020	**426**	**-**	**4**	**430**

16. Leases (continued)

Profit and loss

	2020 £'000	2019 £'000
Interest expense	32	41

Maturity analysis of lease liability

	Property £'000	IT equipment £'000	Other equipment £'000	Total £'000
Current	296	-	1	297
Within one to five years	128	-	3	131
Over five years	2	-		2
At 31 December 2020	**426**	-	**4**	**430**

The total cash outflow in the year paid in respect of leases was £0.3m (2019 - £0.3m).

17. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
200 Ordinary Shares of £1 each	200	200

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and repayment of capital.

18. Guarantees

The company and group have provided to Lucid Trustee Services Limited as Agent an "all assets debenture", which includes cross guarantees and provides a fixed and floating charge over the assets of the company. The total loan covered by this guarantee is £268,000,000 (2019 - £268,000,000).

In June 2021, the group refinanced its senior loan borrowing facilities and the existing charge was satisfied when the loan was replaced with a £375m facility. In September 2021 the company registered a new charge in connection with the £375m facility, with the same counterparty.

19. Related party transactions

During the year (2019 - £nil), the company has not entered into any transactions with related parties who are not wholly owned group companies.

The company has taken advantage of the exemption in IAS 24 "related parties" for UK companies applying FRS 101 'Reduced Disclosure Framework' not to disclose transactions with other group companies.

20. Ultimate parent company and controlling party

The immediate parent company is ICSG Limited, a company registered in England and Wales. The controlling party is Acacium Group Holdings Limited, registered at 22 Grenville Street, St Helier, Jersey. Acacium Group Holdings Limited is controlled through an investment fund structure by Onex Corporation, a Canadian headquartered investment firm, which is the group's ultimate parent undertaking.

The smallest and the largest group in which the company's results are consolidated is Acacium Group Limited, with the registered address of Turnford Place, Great Cambridge Road, Turnford, Broxbourne, England, EN10 6NH. Its consolidated IFRS financial statements are available to the public from Companies House.