

Company registration number: 04427633

SERVOCA NURSING & CARE LIMITED

Report and Financial Statements

For the year ended 30 September 2016



Servoca Nursing & Care Limited Contents

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Servoca Nursing & Care Limited

Company information

Company registration number

04427633

Directors

A Church

G Swaby

J Turner

Company Secretary and Registered Office

M Stewart

Solar House

1-9 Romford Road

London, E15 4LJ

Auditor

RSM UK Audit LLP

25 Farringdon Street

London, EC4A 4AB

Bankers

Royal Bank of Scotland

Silbury House

300 Silbury Boulevard

Milton Keynes, MK9 2ZF

Servoca Nursing & Care Limited
Report of the directors
For the year ended 30 September 2016

The directors present their report together with the audited financial statements for the year ended 30 September 2016.

Principal activities

The principal activity of the Company for the year under review was that of an employment agency.

The Company is a wholly owned subsidiary of SN&C Holdings Limited which is a subsidiary of Servoca Plc, a company listed on the Alternative Investment Market of the London Stock Exchange.

Directors

The directors of the Company during the year were as follows:

G Swaby
A Church
J Turner

Third party indemnity provision for directors

Qualifying third party indemnity insurance is in place for the benefit of all the directors of the Company.

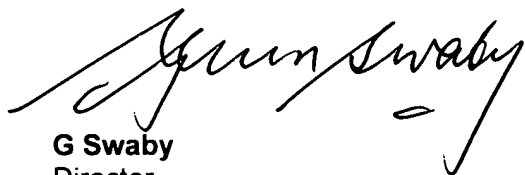
Auditor

The auditor, RSM UK Audit LLP, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that company's auditor is of that information.

On behalf of the Board:



G Swaby
Director
21 April 2017

Servoca Nursing & Care Limited
Statement of directors' responsibilities
For the year ended 30 September 2016

The directors are responsible for preparing the Report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those 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;
- 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.

Servoca Nursing & Care Limited
Independent auditor's report
To the members of Servoca Nursing & Care Limited

Opinion on financial statements

We have audited the financial statements on pages 6 to 19. 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 applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 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.

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 <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 or the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

Servoca Nursing & Care Limited

Independent auditor's report

To the members of Servoca Nursing & Care Limited (*continued*)

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

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.

RSM UK Audit LLP

David Clark (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

21 April 2017

Servoca Nursing & Care Limited
Statement of comprehensive income
For the year ended 30 September 2016

	Note	2016 £'000	2015 £'000
Turnover	3	11,606	8,580
Cost of sales		(8,751)	(6,573)
Gross profit		2,855	2,007
Administrative expenses		(1,775)	(1,408)
Operating profit	5	1,080	599
Interest payable and similar charges	6	(17)	(11)
Profit on ordinary activities before taxation		1,063	588
Taxation	7	(200)	(118)
Profit after taxation and total comprehensive income for the year		863	470

All amounts relate to continuing activities.

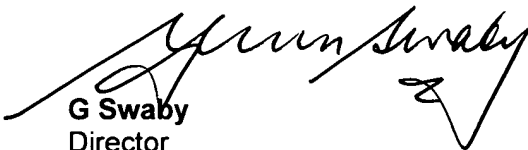
The notes on pages 9 to 19 form part of these financial statements.

Servoca Nursing & Care Limited
Statement of financial position
At 30 September 2016

Company registration number: 04427633

	Note	2016 £'000	2015 £'000
Fixed assets			
Intangible assets	8	172	185
Tangible assets	9	21	17
		193	202
Current assets			
Debtors - due in less than one year	10	1,716	1,641
- due in more than one year	10	106	-
Deferred tax asset	7	-	4
Cash at bank and in hand		6	3
		1,828	1,648
Creditors: amounts falling due within one year	11	(1,595)	(1,456)
Net current assets		233	192
Total assets less current liabilities		426	394
Creditors: amounts falling due after more than one year			
Amounts due to group undertakings		-	(831)
Net assets/(liabilities)		426	(437)
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		426	(437)
Total equity		426	(437)

The financial statements were approved by the Directors and authorised for issue on 21 April 2017.
Signed on behalf of the Board:


G Swaby
Director
21 April 2017

The notes on pages 9 to 19 form part of these financial statements.

Servoca Nursing & Care Limited
Statement of changes in equity
At 30 September 2016

	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 October 2014	-	907	907
Profit for the year being total comprehensive income for the year	-	470	470
Balance as at 30 September 2015	-	(437)	(437)
Profit for the year being total comprehensive income for the year	-	863	863
Balance as at 30 September 2016	-	426	426

The notes on pages 9 to 19 form part of these financial statements.

Servoca Nursing & Care Limited

Notes forming part of the financial statements

For the year ended 30 September 2016

1 General information

Servoca Nursing & Care Limited ("the Company") is a company limited by shares domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Solar House, 1-9 Romford Road, London E15 4LJ.

The Company's principal activities are set out in the Report of the directors.

2 Accounting policies

Basis of accounting

First time adoption of FRS 102

These financial statements are the first financial statements of Servoca Nursing & Care Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Servoca Nursing & Care Limited for the year ended 30 September 2015 were prepared in accordance with previous United Kingdom Generally Accepted Accounting Practice.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of the following exemption from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS':

The Company has elected not to apply Section 19 'Business Combinations and Goodwill' of FRS 102 to business combinations that were effective before 1 October 2014.

There are no reconciliations items as a result of the transition to FRS 102.

Reduced disclosure

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosures:

- Section 4 'Statement of Financial Position' – Reconciling the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instruments Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Servoca Nursing & Care Limited
Notes forming part of the financial statements (*continued*)
For the year ended 30 September 2016

2 Accounting policies (continued)

Going concern

The directors have prepared the financial statements on the going concern basis. The Company is dependent upon the financial support of the parent undertaking and, as such, the parent has confirmed its intention to continue to provide ongoing financial support for the foreseeable future, should it be necessary, to enable the Company to pay its debts as and when they fall due.

Functional and presentational currencies

The financial statements are presented in Sterling which is also the functional currency of the Company.

Turnover

Turnover represents the total amount receivable for the provision of services to customers, net of Value Added Tax. Income from temporary placements is recognised at the end of a period of work. Income from permanent placements is recognised at the point of acceptance by both parties when the Company's contractual obligations have been fulfilled.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value, as follows:

Leasehold improvements	- over the term of the lease
Fixtures, fittings and equipment	- 10%-25% on cost per annum

The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs to its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss; and
- investments in subsidiaries where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

Servoca Nursing & Care Limited
Notes forming part of the financial statements (*continued*)
For the year ended 30 September 2016

2 Accounting policies (continued)

Deferred taxation (continued)

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax assets or liabilities are recovered or settled. Deferred tax balances are not discounted.

Leases

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

Goodwill

Goodwill represents the excess of the cost of a business combination over the interest in the fair value of identifiable assets and liabilities acquired. Cost comprises the fair values of assets given, liabilities assumed and equity instruments issued, plus any direct costs of acquisition. The Board reviews the amortisation period of goodwill arising on each acquisition and allocates the most appropriate period based upon the Board's estimate of the useful life of that acquisition. Impairment tests on the carrying value of goodwill are undertaken at the end of the first financial year following acquisition and in other periods if events or circumstances indicate that the carrying value may not be recoverable.

Goodwill arising is currently being amortised evenly over its presumed useful economic life of 20 years.

Pensions

The company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments', subject to the reduced disclosure exemption, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Servoca Nursing & Care Limited
Notes forming part of the financial statements (*continued*)
For the year ended 30 September 2016

2 Accounting policies (continued)

Financial instruments (continued)

Financial assets

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and to which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest method and is calculated in interest payable and similar charges.

Servoca Nursing & Care Limited
Notes forming part of the financial statements (*continued*)
For the year ended 30 September 2016

2 Accounting policies (continued)

Significant judgements and estimates

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events.

The critical judgements and estimates made in the preparation of the financial statements set out below are made in accordance with the appropriate Financial Standards and the Company's accounting policies:

- Provision for doubtful debts. Management reviews trade receivables on a regular basis and doubtful debts are provided for on the basis of expected recoverability based on credit ratings, knowledge of the customer, market conditions and previous experience.
- Goodwill is tested annually for impairment based on the cash flows of the income generating unit to which it relates. These estimates affect whether an impairment of goodwill should be recognised.

3 Turnover

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

4 Employees

	2016 £'000	2015 £'000
Staff costs, including executive directors, consist of:		
Wages and salaries	1,142	906
Social security costs	116	89
Pension contributions	5	4
	1,263	999

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

	Number	Number
Sales and operations	26	28
Directors' emoluments	2016 £	2015 £
Remuneration	161	136
Benefits	2	2
	163	138

Servoca Nursing & Care Limited
Notes forming part of the financial statements (*continued*)
For the year ended 30 September 2016

4 Employees (continued)

Directors' remuneration does not include the remuneration of A Church and G Swaby, who are directors of the parent company, Servoca Plc. Full disclosure of their remuneration is included in the consolidated financial statements of the parent company. It is not practical to separately identify the amount of their remuneration that relates to this Company.

One director is accruing a pension and the total value of contributions paid in the year is £369 (2015: £333). The contributions for the highest paid director is £369 (2015: £333).

5 Operating profit

	2016 £'000	2015 £'000
Operating profit is stated after charging:		
Depreciation: owned assets	10	4
Amortisation of goodwill	13	14
Operating lease payments:		
- land and buildings	66	52
- other	3	3
Auditor's remuneration:		
Audit of the financial statements	5	5
Non audit services relating to taxation	3	3

6 Interest payable and similar charges

	2016 £'000	2015 £'000
Invoice discounting facility	17	11

Servoca Nursing & Care Limited
Notes forming part of the financial statements (continued)
For the year ended 30 September 2016

7 Taxation on profit on ordinary activities

	2016 £'000	2015 £'000
(a) Analysis of credit for the year:		
Current tax		
UK corporation tax	214	119
Adjustment in respect of prior year	(18)	(4)
Total current tax (note (b))	196	115
Deferred tax:		
Deferred tax charge	4	3
Total tax charge for the year	200	118
(b) Factors affecting the current tax charge for the year:		
Profit on ordinary activities before taxation	1,063	588
Profit on ordinary activities multiplied by the average rate of corporation tax in the UK of 20.0% (2015: 20.0%)	213	117
Differences between capital allowances and depreciation	1	(1)
Expenses not deductible for tax purposes	-	3
Adjustment in respect of prior year	(18)	(4)
Total current tax (note (a))	196	115
	£'000	£'000
(c) Deferred tax		
The deferred tax asset which relates to short term timing differences has been recognised in the financial statements is as follows:		
As at 1 October	4	7
Charged to profit and loss	(4)	(3)
As at 30 September	-	4

The Company has no unrecognised deferred tax assets at the end of either year.

Servoca Nursing & Care Limited
Notes forming part of the financial statements (*continued*)
For the year ended 30 September 2016

8 Intangible assets

	Goodwill £'000
Cost	
At 1 October 2015 and as at 30 September 2016	278
Amortisation	
At 1 October 2015	93
Charge for year	13
At 30 September 2016	106
Net book value	
At 30 September 2016	172
At 30 September 2015	185

9 Tangible assets

	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 October 2015	16	122	138
Additions	3	11	14
At 30 September 2016	19	133	152
Depreciation			
At 1 October 2015	11	110	121
Charge for the year	3	7	10
At 30 September 2016	14	117	131
Net book value			
At 30 September 2016	5	16	21
At 30 September 2015	5	12	17

Servoca Nursing & Care Limited
Notes forming part of the financial statements (*continued*)
For the year ended 30 September 2016

10 Debtors

	2016 £'000	2015 £'000
Amounts due within one year:		
Trade debtors	1,447	1,458
Other debtors	42	25
Prepayments and accrued income	227	158
	1,716	1,641
Amounts due in more than one year:		
Due from group undertakings	106	-
	1,822	1,641

It is confirmed that the amounts due from and to group undertakings are non-interest bearing and are receivable/payable in a period greater than 12 months.

Other debtors include security rent deposits of £25,000 (2015: £20,000) recoverable after more than one year.

11 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Invoice discounting facility	748	661
Trade creditors	60	39
Corporation tax	214	118
Other taxation and social security	145	142
Other creditors	130	271
Accruals and deferred income	298	225
	1,595	1,456

Invoice discounting facilities of £748,000 (2015: £661,000) are secured by a charge over the borrowing company's book debts. Interest during the year is payable on these instruments at varying rates above the bank's base rate. There is a cross company guarantee in place in relation to the invoice discounting facilities for all the trading Servoca Plc subsidiary companies. The total group liability at 30 September 2016 in respect of invoice discounting facilities, including the amount above, was £2,745,000 (2015: £1,982,000).

The Company is part of a group VAT registration and the total group liability at 30 September 2016 was £604,000 (2015: £855,000).

Servoca Nursing & Care Limited
Notes forming part of the financial statements (*continued*)
For the year ended 30 September 2016

12 Financial instruments

The carrying amount of the Company's financial instruments at the year end were:

	2016 £	2015 £
Financial assets		
Trade receivables	1,447	1,458
Other debtors and accrued income	218	122
Cash at bank	6	3
	1,671	1,583
	2016 £	2015 £
Financial liabilities		
Trade and other payables	488	535
Invoice discounting facilities	748	661
	1,236	1,196

13 Called up share capital

	2016 Number	2016 £	2015 Number	2015 £
Allotted, issued and fully paid:				
Ordinary shares of £1 each	1	1	1	1

14 Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 Land and buildings £'000	2016 Other £'000	2015 Land and buildings £'000	2015 Other £'000
Amounts due:				
Within one year	83	3	43	3
Between two and five years	90	4	110	6
	173	7	153	9

Servoca Nursing & Care Limited
Notes forming part of the financial statements (*continued*)
For the year ended 30 September 2016

15 Parent company and controlling party

The immediate parent company is SN&C Holdings Limited, itself a wholly owned subsidiary of Servoca Plc which is the ultimate parent company and controlling party. Servoca Plc is a company registered in England and Wales, listed on the Alternative Investment Market of the London Stock Exchange. Servoca Plc is the only undertaking preparing consolidated financial statements that incorporate the results of the Company. Copies of Servoca Plc's financial statements may be obtained from Solar House, 1-9 Romford Road, London E15 4LJ.

16 Related party transactions

The Company has taken advantage of the exemption available under FRS 102 not to disclose transactions with members of the group headed up by Servoca Plc on the grounds that 100% of the voting rights in the Company are controlled within the group and the Company is included in consolidated financial statements.