Company registration number: 04427633

SERVOCA NURSING & CARE LIMITED

Report and Financial Statements

For the year ended 30 September 2019



Servoca Nursing & Care Limited
Contents

Company information	1
Report of the directors	2-3
Statement of directors' responsibilities	4
Independent auditor's report	5-7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes forming part of the financial statements	11-20

Servoca Nursing & Care Limited
Company information

Company registration number
04427633

Directors
A Church
C Hinton
J Turner

Company Secretary and Registered Office
S Moore
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 2019

The directors present their report together with the audited financial statements for the year ended 30 September 2019.

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 itself is a subsidiary of Servoca Plc

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

A Church
J Turner
C Hinton

Going concern and post balance sheet events
The Group directors have considered the effect of the ongoing coronavirus pandemic on the company's financial position. Given the unpredictable nature and impact of the outbreak, and how rapidly the responses to the outbreak are changing, the directors are unable to predict the full extent of the impact with regards to the going concern basis of accounting and its related disclosures.

After making enquiries and considering the uncertainties described above, the directors have prepared trading and cash flow forecasts for the period to 30 September 2021 which indicate substantial headroom in borrowing facilities. The directors believe these forecasts support a reasonable expectation that the Company will have adequate resources to continue in operational existence over the twelve months from the date of approval of these financial statements. In addition the Group have provided a continued letter of support. For these reasons they continue to adopt the going concern basis of accounting in preparing the financial statements.

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, is deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Servoca Nursing & Care Limited
Report of the directors
For the year ended 30 September 2019

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 aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitles to the small companies exemption.

On behalf of the Board:



C Hinton
Director
10 June 2020

Servoca Nursing & Care Limited
Statement of directors' responsibilities
For the year ended 30 September 2019

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
We have audited the financial statements of Servoca Nursing & Care Limited (the 'Company') for the year ended 30th September 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

Other information (continued)
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to take advantage of the small companies exemptions from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors
As explained more fully 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, 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.

Responsibilities of directors (continued)
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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
15 June 2020

Servoca Nursing & Care Limited
Statement of comprehensive income
For the year ended 30 September 2019

	Note	2019 £'000	2018 £'000
Turnover	3	**16,799**	16,381
Cost of sales		**(12,694)**	(12,399)
Gross profit		**4,105**	3,982
Administrative expenses		**(2,446)**	(2,291)
Operating profit	5	**1,659**	1,691
Interest payable and similar charges	6	**(18)**	(27)
Profit on ordinary activities before taxation		**1,641**	1,664
Taxation	7	**(300)**	(9)
Profit after taxation and total comprehensive income for the year		**1,341**	1,655

All amounts relate to continuing activities.

The notes on pages 11 to 20 form part of these financial statements.

Servoca Nursing & Care Limited
Statement of financial position
At 30 September 2019 **Company registration number: 04427633**

	Note	2019 £'000	2018 £'000
Fixed assets			
Intangible assets	8	**130**	144
Tangible assets	9	**69**	82
		199	226
Current assets			
Debtors - due in less than one year	10	**2,813**	3,620
- due in more than one year	10	**3,243**	1,496
Cash at bank and in hand		**17**	8
		6,073	5,124
Creditors: amounts falling due within one year	11	**(1,990)**	(2,409)
Net current assets		**4,083**	2,715
Net assets		**4,282**	2,941
Capital and reserves			
Called up share capital	12	**-**	-
Profit and loss account	13	**4,282**	2,941
Total equity		**4,282**	2,941

The financial statements were approved by the Directors and authorised for issue on 10 June 2020.
Signed on behalf of the Board:

C Hinton
Director
10 June 2020

The notes on pages 11 to 20 form part of these financial statements.

Servoca Nursing & Care Limited
Statement of changes in equity
At 30 September 2019

	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 October 2017	**-**	**1,286**	**1,286**
Profit for the year being total comprehensive income for the year	-	1,655	1,655
Balance as at 30 September 2018	**-**	**2,941**	**2,941**
Profit for the year being total comprehensive income for the year	-	1,341	1,341
Balance as at 30 September 2019	**-**	**4,282**	**4,282**

The notes on pages 11 to 20 form part of these financial statements.

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

These financial statements of Servoca Nursing & Care Limited are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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.

Going concern

The Group directors have considered the effect of the ongoing coronavirus pandemic on the company's financial position. Given the unpredictable nature and impact of the outbreak, and how rapidly the responses to the outbreak are changing, the directors are unable to predict the full extent of the impact with regards to the going concern basis of accounting and its related disclosures.

After making enquiries and considering the uncertainties described above, the directors have prepared trading and cash flow forecasts for the period to 30 September 2021 which indicate substantial headroom in borrowing facilities. The directors believe these forecasts support a reasonable expectation that the Company will have adequate resources to continue in operational existence over the twelve months from the date of approval of these financial statements. In addition the Group have provided a continued letter of support. For these reasons they continue to adopt the going concern basis of accounting in preparing the financial statements.

2 Accounting policies (continued)

Functional and presentational currencies
The financial statements are presented in Sterling, to the nearest pound, 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	- 25%-33% 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.

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.

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.

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

	2019 £'000	2018 £'000
Staff costs, including executive directors, consist of:		
Wages and salaries	1,362	1,266
Social security costs	145	137
Pension contributions	18	10
	1,525	1,413

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

	Number	Number
Sales and operations	45	37

Directors' emoluments	2019 £'000	2018 £'000
Remuneration	159	145
Benefits	10	2
	169	147

4 Employees (continued)

Directors' remuneration does not include the remuneration of A Church and C Hinton, who are directors of the parent company, Servoca Plc. Disclosure of the remuneration of A Church and C Hinton, who are directors of the ultimate parent company, Servoca Plc, is included in the notes in the consolidated financial statements of the ultimate 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 £1,061 (2018: £589). The contributions for the highest paid director is £1,061 (2018: £589).

5 Operating profit

	2019 £'000	2018 £'000
Operating profit is stated after charging:		
Depreciation: owned assets	**25**	17
Amortisation of goodwill	**14**	14
Operating lease payments:		
- land and buildings	**76**	67
- other	**17**	5
Auditor's remuneration:		
Audit of the financial statements	**7**	5
Non audit services relating to taxation	**3**	3

6 Interest payable and similar charges

	2019 £'000	2018 £'000
Invoice discounting facility	**18**	27

7 Taxation on profit on ordinary activities

	2019 £'000	2018 £'000
(a) Analysis of charge for the year:		
Current tax		
UK corporation tax	302	-
Adjustment in respect of prior year	3	8
Total current tax	305	8
Deferred tax:		
Origination and reversal of timing differences	2	14
Adjustment in respect of prior year	(7)	(13)
Total deferred tax (credit)/charge	(5)	1
Total tax charge for the year	300	9
(b) Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	1,641	1,664
Profit on ordinary activities multiplied by the average rate of corporation tax in the UK of 19.0% (2018: 19.0%)	312	316
Differences between capital allowances and depreciation	5	7
Utilisation of group relief	(13)	(309)
Expenses not deductible for tax purposes	-	-
Adjustment in respect or prior year	(4)	(5)
Total tax charge for the year	300	9
	£'000	£'000
(c) Deferred tax		
The deferred tax liability which related to short term timing differences had been recognised in the financial statements as follows:		
As at 1 October	(1)	-
Other short term timing differences	-	10
Recognition of capital allowances	5	(11)
As at 30 September	4	(1)

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

8 Intangible assets

	Goodwill £'000
Cost	
At 1 October 2018 and as at 30 September 2019	**278**
Amortisation	
At 1 October 2018	134
Charge for year	14
At 30 September 2019	**148**
Net book value	
At 30 September 2019	**130**
At 30 September 2018	144

9 Tangible assets

	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At 1 October 2018	22	221	243
Additions	2	10	12
At 30 September 2019	**24**	**231**	**255**
Depreciation			
At 1 October 2018	19	142	161
Charge for the year	2	23	25
At 30 September 2019	**21**	**165**	**186**
Net book value			
At 30 September 2019	**3**	**66**	**69**
At 30 September 2018	3	79	82

10 Debtors

	2019 £'000	2018 £'000
Amounts due within one year:		
Trade debtors	**2,354**	3,219
Other debtors	**19**	21
Corporation tax	**-**	3
Deferred tax	**4**	-
Prepayments and accrued income	**436**	377
	2,813	3,620
Amounts due in more than one year:		
Due from group undertakings	**3,243**	1,496
	6,056	5,116

Amounts due from and to group undertakings are non-interest bearing and are receivable/payable in a period greater than 12 months.

11 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Invoice discounting facility	**724**	1,484
Trade creditors	**35**	62
Corporation tax	**303**	-
Other taxation and social security	**310**	254
Other creditors	**54**	44
Deferred tax	**-**	1
Accruals and deferred income	**564**	564
	1,990	2,409

Invoice discounting facilities of £724,000 (2018: £1,484,000) 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 2019 in respect of invoice discounting facilities, including the amount above, was £3,518,000 (2018: £7,220,000).

The Company is part of a group VAT registration and the total group liability at 30 September 2019 was £1,004,000 (2018: £871,000).

12 Called up share capital

	2019 Number	2019 £	2018 Number	2018 £
Allotted, issued and fully paid:				
Ordinary shares of £1 each	1	1	1	1

13 Reserves

The profit and loss account consists of the cumulative profit and loss net of any distribution to owners.

14 Commitments under operating leases

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

	2019 Land and buildings £'000	2019 Other £'000	2018 Land and buildings £'000	2018 Other £'000
Amounts due:				
Within one year	63	18	55	5
Between two and five years	76	27	79	15
	139	45	134	20

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 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.

17 Post balance sheet events

Subsequent to the year end the coronavirus pandemic has impacted the financial performance of the Company's business. Given the unpredictable nature and impact of the outbreak, the directors are unable to predict the full extent of the impact but highlight this may affect the potential carrying value of assets in the future.