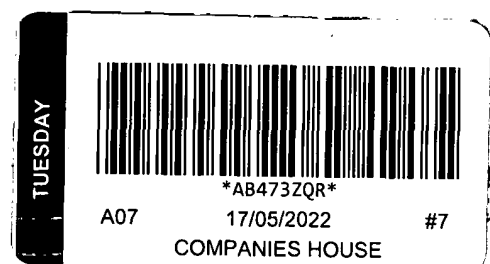


Registered number: 04493101

A-DAY CONSULTANTS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**



A-DAY CONSULTANTS LIMITED

COMPANY INFORMATION

Directors	C Hinton J Long
Company secretary	S Moore
Registered number	04493101
Registered office	Kingston House Towers Business Park Wilmslow Road Manchester M20 2LD
Independent auditors	RSM UK Audit LLP 3 Hardman St Manchester M3 3HF
Bankers	Royal Bank of Scotland Silbury House 300 Silbury Boulevard Milton Keynes MK9 2ZF

A-DAY CONSULTANTS LIMITED

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A-DAY CONSULTANTS LIMITED

STRATEGIC REPORT FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021

Business review

The prior year performance was significantly impacted by the Coronavirus pandemic, which resulted in school closures and the loss of substantial levels of turnover and gross margin. Schools re-opened in September 2020 following their closure five months earlier, but were again closed during January and February 2021. Demand slowly improved from schools upon their re-opening in March 2021 and this increased as the year progressed.

The Company is hoping to benefit from a year without school closures and is currently seeing stronger demand than it would normally expect at this point in the academic year as a result of absences related to Covid.

Financial key performance indicators

The primary key performance indicators of A-Day Consultants Limited are revenue and gross profit.

Revenue for the 15 month period ended 31 December 2021 increased to £35.4m (year ended 30 September 2020: £22.1m) with gross profit increasing to £10.6m (year ended 30 September 2020: £6.8m). Profit before taxation for the 15 month period was £1.9m (year ended 30 September 2020: £0.8m).

To enable a meaningful analysis of current and prior year performance, gross profit in this Business Review has been adjusted to add back the benefit of furlough payments of £0.6m (2020: £2.9m) made to workers through the Coronavirus Job Retention Scheme. For financial reporting purposes, these are shown as Other Income.

Profit before taxation in this Business Review excludes dividend income received from fixed asset investments during the period of £4.7m (2020: nil).

Principal risks and uncertainties

The Board has identified risks and uncertainties to which the business is exposed. The most significant of these and the approach to mitigating these risks are:

- Changes in tax laws, regulations and government spending and policy. The Board keeps itself up to date with national news and press releases taking appropriate steps to address changes.
- Failure to attract candidates of sufficient quality or sufficient numbers. Investment has been made in maintaining databases to ensure our records are up to date and reliable.
- Loss of management or key sales staff. Incentive schemes have been put in place to help retain key personnel.

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



C Hinton
Director
Date: 13 May 2022

A-DAY CONSULTANTS LIMITED

**DIRECTORS' REPORT
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the 15 month period ended 31 December 2021.

Principal activity

The principal activity of the Company for the year under review was that of a recruitment agency.

Results and dividends

The profit for the 15 month period, after taxation, amounted to £6,188,193 (2020 - £672,653). The profit includes dividends of £4,683,079 (2020: nil) received from fixed asset investments and should be excluded for a meaningful comparison.

The Company paid an interim and final dividend of £10,683,079 (2020: nil) on its ordinary A shares held by its ultimate controlling party, Servoca plc.

Directors

The directors who served during the 15 month period were:

C Hinton
J Long

Qualifying third party indemnity provisions

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern and post balance sheet events

The directors have prepared trading and cash flow forecasts for the period to 31 December 2024 which show that the Company will have significant headroom on borrowing facilities. Given the Company's current trading performance, strong balance sheet and cash position alongside the significant headroom on borrowing facilities, the directors have a reasonable expectation that there are no material uncertainties that cast doubt on the Company's ability to continue in operation. For these reasons the financial statements have been prepared on a going concern basis.

There are no post balance sheet events.

Auditors

The auditors, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

A-DAY CONSULTANTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

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



C Hinton
Director
Date: 13 May 2022

A-DAY CONSULTANTS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

A-DAY CONSULTANTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A-DAY CONSULTANTS LIMITED

Opinion

We have audited the financial statements of A-Day Consultants Limited (the 'Company') for the 15 month period ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 31 December 2021 and of its profit for the 15 month period 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

A-DAY CONSULTANTS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A-DAY CONSULTANTS LIMITED
(CONTINUED)**

Other information

The other information comprises the information included in the annual report other than the financial statements and our Auditors' 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 a 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.

Opinion 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 15 month period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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 Strategic Report or 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

A-DAY CONSULTANTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A-DAY CONSULTANTS LIMITED (CONTINUED)

Auditors' 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 Auditors' 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment law. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied by management. Audit procedures performed over the revenue recognition included testing the operating effectiveness of controls,

A-DAY CONSULTANTS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A-DAY CONSULTANTS LIMITED
(CONTINUED)**

performing cut off tests, analytical reviews and tests of detail to cover all revenue assertions.

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

Alastair Nuttall

**ALASTAIR JOHN RICHARD NUTTALL (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants**

3 Hardman St
Manchester
M3 3HF

13 May 2022

A-DAY CONSULTANTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

	Note	15 month period ended 31 December 2021 £	Year ended 30 September 2020 £
Turnover	4	35,429,476	22,118,951
Cost of sales		(25,426,656)	(18,243,745)
Gross profit		10,002,820	3,875,206
Administrative expenses		(8,912,868)	(6,507,801)
Other operating income	5	844,871	3,474,749
Operating profit	6	1,934,823	842,154
Income from fixed assets investments	8	4,683,079	-
Interest payable and similar expenses		(230)	(4,039)
Profit before tax		6,617,672	838,115
Tax on profit	9	(429,479)	(165,462)
Profit for the financial 15 month period		6,188,193	672,653

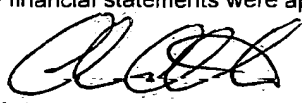
There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 12 to 27 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31 December 2021 £	30 September 2020 £
Fixed assets			
Intangible assets	11	313,320	352,223
Tangible assets	12	75,176	99,326
Investments	13	10,208,680	10,208,680
		<u>10,597,176</u>	<u>10,660,229</u>
Current assets			
Debtors	14	3,522,892	2,448,127
Cash at bank and in hand		2,526,924	1,034,085
		<u>6,049,816</u>	<u>3,482,212</u>
Creditors: amounts falling due within one year	15	(3,498,735)	(3,435,597)
Net current assets		<u>2,551,081</u>	<u>46,615</u>
Total assets less current liabilities		<u>13,148,257</u>	<u>10,706,844</u>
Creditors: amounts falling due after more than one year	16	(9,323,730)	(2,390,237)
Provisions for liabilities			
Deferred tax	17	(3,941)	(1,135)
		<u>(3,941)</u>	<u>(1,135)</u>
Net assets		<u><u>3,820,586</u></u>	<u><u>8,315,472</u></u>
Capital and reserves			
Called up share capital	18	82	82
Share premium account	19	22,185	22,185
Profit and loss account	19	3,798,319	8,293,205
		<u>3,820,586</u>	<u>8,315,472</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


C Hinton
Director
Date: 13 May 2022

The notes on pages 12 to 27 form part of these financial statements.

A-DAY CONSULTANTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2019	82	22,185	7,620,552	7,642,819
Profit for the year	-	-	672,653	672,653
At 1 October 2020	82	22,185	8,293,205	8,315,472
Profit for the 15 month period	-	-	6,188,193	6,188,193
Dividends: Equity capital	-	-	(10,683,079)	(10,683,079)
At 31 December 2021	82	22,185	3,798,319	3,820,586

The notes on pages 12 to 27 form part of these financial statements.

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

1. General information

A-Day Consultants Limited ("the Company") is a private company limited by shares domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Kingston House, Towers Business Park, Wilmslow Road, Manchester M20 2LD.

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Servoca plc as at 31 December 2021 and these financial statements may be obtained from the website of Servoca plc.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.4 Going concern**

The directors have prepared trading and cash flow forecasts for the period to 31 December 2024 which show that the Company will have significant headroom on borrowing facilities. Given the Company's current trading performance, strong balance sheet and cash position alongside the significant headroom on borrowing facilities, the directors have a reasonable expectation that there are no material uncertainties that cast doubt on the Company's ability to continue in operation. For these reasons the financial statements have been prepared on a going concern basis.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

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.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

2.8 Pensions**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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the 15 month period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Intangible assets

Goodwill is capitalised and written off evenly over 20 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.11 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold improvements	-	over the term of the lease
Fixtures and fittings	-	25% on cost per annum
Computer equipment	-	33% on cost per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.15 Dividends

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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.
- Business combinations. On acquisition, the Company calculates the fair value of the assets, liabilities and contingent liabilities acquired. The assessment of fair values is judgemental and directly impacts the value of goodwill carried on the statement of financial position. 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.
- Deferred consideration. Amounts payable in respect of acquisitions can depend in part upon the achievement of a number of financial and non-financial performance measures specified in the purchase agreement. The Directors estimate the amounts payable by assessing the performance of the acquired businesses since acquisition. As such, an element of judgement is required in determining whether the performance measures will be achieved.

4. Turnover

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

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

5. Other operating income

	15 month period ended 31 December 2021 £	Year ended 30 September 2020 £
Government grants receivable	844,871	3,474,749
	<u>844,871</u>	<u>3,474,749</u>

During the period the Company received government grants under the Job Retention Scheme totalling £844,871 (2020: £3,474,749), of which £603,783 (2020: £2,915,915) was for temporary workers and £241,088 (2020: £558,834) was for permanent employees. The gross costs directly attributable to these grants are shown in cost of sales and administrative expenses respectively.

6. Operating profit

The operating profit is stated after charging:

	15 month period ended 31 December 2021 £	Year ended 30 September 2020 £
Depreciation: owned assets	42,738	34,850
Amortisation of goodwill	38,903	31,122
Other operating lease rentals	452,803	301,540
Audit of the financial statements	8,500	8,000
Non audit services relating to taxation	2,500	2,525
	<u>545,444</u>	<u>678,037</u>

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	15 month period ended 31 December 2021 £	Year ended 30 September 2020 £
Wages and salaries	5,466,294	4,189,771
Social security costs	621,991	485,075
Cost of defined contribution scheme	96,823	72,420
	<u>6,185,108</u>	<u>4,747,266</u>

The average monthly number of employees, including the directors, during the 15 month period was as follows:

	15 month period ended 31 December 2021 No.	Year ended 30 September 2020 No.
Sales	85	90
Administration	15	15
	<u>100</u>	<u>105</u>

The directors of the Company are also directors of the parent company, Servoca Plc. Disclosure of directors' remuneration is included in the notes in the consolidated financial statements of the parent company. It is not practical to separately identify the amount of the directors' remuneration that relates solely to this Company.

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

8. Income from investments

	15 month period ended 31 December 2021 £	Year ended 30 September 2020 £
Dividends received from fixed asset investments	4,683,079	-

9. Taxation

	15 month period ended 31 December 2021 £	Year ended 30 September 2020 £
Corporation tax		
Current tax on profits for the year	404,713	159,238
Adjustments in respect of previous periods	21,960	(337)
Total current tax	426,673	158,901
Deferred tax		
Origination and reversal of timing differences	(1,828)	7,100
Changes to tax rates	1,385	(628)
Adjustment in respect of prior year	3,249	89
Total deferred tax	2,806	6,561
Taxation on profit on ordinary activities	429,479	165,462

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

9. Taxation (continued)**Factors affecting tax charge for the 15 month period/year**

The tax assessed for the 15 month period/year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	15 month period ended 31 December 2021 £	Year ended 30 September 2020 £
Profit on ordinary activities before tax	6,617,672	838,115
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,257,358	159,242
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	35,640	1,716
Capital allowances for 15 month period/year in excess of depreciation	67	5,379
Adjustments to tax charge in respect of prior periods	25,209	(248)
Tax rate changes	990	-
Dividends from UK companies	(889,785)	-
Other differences leading to an increase (decrease) in the tax charge	-	(627)
Total tax charge for the 15 month period/year	429,479	165,462

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Dividends

	31 December 2021 £	30 September 2020 £
Interim dividends paid on ordinary A shares	10,683,079	-

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

11. Intangible assets

	Goodwill £
Cost	
At 1 October 2020	512,089
At 31 December 2021	512,089
Amortisation	
At 1 October 2020	159,866
Charge for the 15 month period on owned assets	38,903
At 31 December 2021	198,769
Net book value	
At 31 December 2021	313,320
At 30 September 2020	352,223

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

12. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 October 2020	46,180	117,511	451,355	615,046
Additions	-	7,600	10,988	18,588
At 31 December 2021	46,180	125,111	462,343	633,634
Depreciation				
At 1 October 2020	30,451	91,532	393,737	515,720
Charge for the 15 month period on owned assets	5,714	12,740	24,284	42,738
At 31 December 2021	36,165	104,272	418,021	558,458
Net book value				
At 31 December 2021	10,015	20,839	44,322	75,176
At 30 September 2020	15,729	25,979	57,618	99,326

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2020	10,208,680
At 31 December 2021	10,208,680

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

13. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Holding
A+ Teachers Limited	Same as Company	100%
Classic Education Limited	Same as Company	100%
Term Time Teachers Limited	Same as Company	100%
Academics Solutions (UK) Limited	Same as Company	100%
ITNMark Education Limited	Same as Company	100%
ITNMark Limited	Same as Company	100%

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the 15 month period ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
A+ Teachers Limited *	100	-
Classic Education Limited	1,637,649	490,290
Term Time Teachers Limited	1,307,074	341,498
Academics Solutions (UK) Limited *	-	-
ITNMark Education Limited *	100	-
ITNMark Limited *	100	-

*the trade and assets have been transferred into A-Day Consultants Limited.

14. Debtors

	31 December 2021 £	30 September 2020 £
Trade debtors	3,292,480	1,460,518
Other debtors	1,391	364,767
Prepayments and accrued income	229,021	622,842
	3,522,892	2,448,127

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

14. Debtors (continued)

Invoice discounting facilities are secured by a charge over the borrowing company's book debts, however these were not being utilised at the period end and as such the debit balance as at 31 December 2021 of £64,467 is included in the cash at bank balance (2020: debtor £359,866, within other debtors). 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 the trading Servoca Plc subsidiary companies. The total group amount at 31 December 2021 in respect of these invoice discounting facilities, included in cash at bank, was £321,000 (2020: debtor of £1,129,000).

15. Creditors: Amounts falling due within one year

	31 December 2021 £	30 September 2020 £
Trade creditors	19,842	72,126
Corporation tax	149,718	184,412
Other taxation and social security	2,401,010	2,021,163
Other creditors	193,360	361,316
Accruals and deferred income	516,098	546,580
Deferred consideration	218,707	250,000
	3,498,735	3,435,597

The Company is part of a group VAT registration and the total group liability at 31 December 2021 was £2,484,000 (2020: £2,293,000).

16. Creditors: Amounts falling due after more than one year

	31 December 2021 £	30 September 2020 £
Amounts owed to group undertakings	8,811,673	1,659,473
Deferred consideration	512,057	730,764
	9,323,730	2,390,237

Amounts owed to group undertakings are non-interest bearing and are payable in a period greater than 12 months.

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

17. Deferred taxation

	2021 £	2020 £
At beginning of year	(1,135)	5,424
Charged to profit or loss	(2,806)	(6,559)
At end of year	(3,941)	(1,135)

The provision for deferred taxation is made up as follows:

	31 December 2021 £	30 September 2020 £
Accelerated capital allowances	(8,771)	(9,837)
Other short term timing differences	4,830	8,702
	(3,941)	(1,135)

18. Share capital

	31 December 2021 £	30 September 2020 £
Allotted, called up and fully paid		
2 (2020 - 2) Ordinary A shares of £1.00 each	2	2
20 (2020 - 20) Ordinary B shares of £1.00 each	20	20
10 (2020 - 10) Ordinary C shares of £1.00 each	10	10
10 (2020 - 10) Ordinary D shares of £1.00 each	10	10
15 (2020 - 15) Ordinary E shares of £1.00 each	15	15
10 (2020 - 10) Ordinary F shares of £1.00 each	10	10
5 (2020 - 5) Ordinary G shares of £1.00 each	5	5
10 (2020 - 10) Ordinary I shares of £1.00 each	10	10
	82	82

The Ordinary A shares entitle the holder to one vote per share in any circumstances.

The Ordinary shares B to I have been issued as part of the Group's management incentive plans. These shares have no entitlement to receive notice of, speak or vote at general meetings of the Company or receive dividends or distributions out of the Company. They entitle the holders to the rewards and benefits specified in the rules of the Servoca Management Equity Incentive Plan only.

A-DAY CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021**

19. Reserves**Share premium account**

Share premium account: the amount subscribed for share capital in excess of nominal value after deducting costs directly incurred in issuing the shares.

Profit and loss account

Profit and loss account: the cumulative profit and loss net of any distribution to owners.

20. Commitments under operating leases

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

	2021 Land & Buildings £	2021 Other £	2020 Land & Buildings £	2020 Other £
Within one year	92,332	21,322	53,753	26,645
Between two and five years	164,297	29,458	20,000	24,705
	<u>256,629</u>	<u>50,780</u>	<u>73,753</u>	<u>51,350</u>

A-DAY CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2021

21. Acquisitions

On 29 February 2020, the Company acquired the entire share capital of Term Time Teachers Limited and entire Membership Interest of Term Time Teachers (2) LLP (together "Term Time Teachers") for an initial consideration of £2.8 million. A further maximum of £0.8 million of deferred contingent consideration is payable dependent on Term Time Teachers achieving certain levels of gross margin in the two years following acquisition. At the reporting date the fair value of the additional consideration of £0.8 million has been added to the cost of investment.

The trade relates to education recruitment operating in Kent which will enhance the Company's coverage in this region and is aligned with the Company's acquisition strategy.

Details of the net assets acquired and purchase consideration are as follows:

	£
Tangible fixed assets	7,862
Trade and other receivables	327,029
Cash	2,432,412
Corporation tax	(33,300)
Trade and other payables	(267,288)
Net assets	2,466,715
Consideration:	
Cash on completion	2,772,358
Contingent consideration	730,764
Total potential consideration	3,503,122

22. Controlling party

The immediate and ultimate controlling party and parent company is Servoca Plc, a company registered in England and Wales. Servoca Plc is the only undertaking preparing consolidated financial statements that incorporate the results of the Company. Copies of Servoca Plc's Group financial statements may be obtained from Kingston House, Towers Business Park, Wilmslow Road, Manchester M20 2LD.