

Registration number: 10633959

IPSERV Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2022

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IPSERV Limited

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IPSERV Limited

Company Information

Directors	C Kreidewolf
	C Spittlehouse
	J D Fairclough
	R S Williams
	L Trenchard
Company secretary	J A Mitchell
Registered office	Grafton House
	Russell Road
	Ipswich
	Suffolk
	IP1 2DE
Bankers	Lloyds Banking Group plc
	Cornhill
	Ipswich
	Suffolk
	IP1 1DG
Auditors	Grant Thornton UK LLP
	Priory Place
	New London Road
	Chelmsford
	Essex
	CM2 0PP

IPSERV Limited

Directors' Report for the Year Ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors of the company

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

C Kreidewolf

C Spittlehouse

J D Fairclough

R S Williams

L Trenchard

Principal activity

The principal activity of the company is Trading Services. During the year the company continued to provide services to the other companies within the group, alongside parking management, parking enforcement and cleaning services to third parties. The loss for the year before taxation is £72,035 (2020/21 loss £252,096).

The directors do not recommend that a dividend is paid for the year.

Going concern

As the company is showing a shareholder's deficit on the balance sheet, the directors have obtained a letter of comfort from the sole shareholder, Ipswich Borough Council confirming that the shareholder will provide financial support for a period of twelve months from the date of the approval of these financial statements.

Future Developments

The company will continue to market the services that it currently provides to new customers, while at the same time considering options for expanding the number and variety of services that it can offer.

Disclosure of information to the auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement as to disclosure of information to auditors

The accounts have been prepared under the historical cost convention in accordance with the accounting policies set out below. These financial statements have been prepared in accordance with FRS102, section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

IPSERV Limited

Statement of Directors' Responsibilities


The directors acknowledge their responsibilities for preparing the Directors Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

Approved by the Board on 08/09/22 and signed on its behalf by:

DocuSigned by:

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C Kreidewolf
Director

IPSERV Limited

Independent Auditor's Report to the Members of IPSERV Limited

Opinion

We have audited the financial statements of IPSERV Limited (the 'company') for the year ended 31 March 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, 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 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 March 2022 and of its loss 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.

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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report

IPSERV Limited

Independent Auditor's Report to the Members of IPSERV Limited

Other information

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

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.

Opinion on other matter 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.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' Report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, 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.

IPSERV Limited

Independent Auditor's Report to the Members of IPSERV Limited

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company. We concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to the Companies Act 2006 and taxation laws;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and the company's parent company legal department. We corroborated our enquiries through our review of board minutes;
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. No matters relating to fraud were identified from our discussions;
- We made specific inquiries from key personnel outside the finance department to determine whether there were fraud risk factors arising from the company's day to day operations;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and through manipulation of accounting estimates. Audit procedures performed included:
 - Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud;
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
 - challenging assumptions and judgements made by management in its significant accounting estimates; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

IPSERV Limited

Independent Auditor's Report to the Members of IPSERV Limited

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules, the applicable statutory provisions.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
 - the applicable regulatory framework.

Use of our report

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

DocuSigned by:
Timothy Taylor
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Timothy Taylor FCA (Senior Statutory Auditor)
For and on behalf of Grant Thornton UK LLP Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Chelmsford

Priory Place
New London Road
Chelmsford
Essex
CM2 0PP

29-Sep-22
Date:.....

IPSERV Limited**Profit and Loss Account for the Year Ended 31 March 2022**

	Note	2022 £	2021 £
Turnover		4,972,261	3,395,985
Cost of sales		<u>(3,952,823)</u>	<u>(2,939,312)</u>
Gross profit		1,019,438	456,673
Administrative expenses		(1,036,688)	(720,932)
Other operating income		<u>10,939</u>	<u>62,991</u>
Operating loss		<u>(6,311)</u>	<u>(201,268)</u>
Income from participating interests		686	2,750
Interest payable and similar expenses		<u>(66,410)</u>	<u>(53,578)</u>
		<u>(65,724)</u>	<u>(50,828)</u>
Loss before tax	3	<u>(72,035)</u>	<u>(252,096)</u>
Loss for the financial year		<u><u>(72,035)</u></u>	<u><u>(252,096)</u></u>

The above results were derived from continuing operations.

IPSERV Limited

Statement of Comprehensive Income for the Year Ended 31 March 2022

	2022	2021
	£	£
Loss for the year	(72,035)	(252,096)
Remeasurement gain/loss on defined benefit pension schemes	<u>189,000</u>	<u>(495,000)</u>
Total comprehensive income for the year	<u><u>116,965</u></u>	<u><u>(747,096)</u></u>

IPSERV Limited

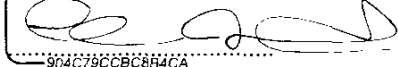
(Registration number: 10633959)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	31,429	6,213
Tangible assets	5	98,629	105,387
		<u>130,058</u>	<u>111,600</u>
Current assets			
Debtors	6	1,037,648	789,300
Cash at bank and in hand		448,243	108,306
		<u>1,485,891</u>	<u>897,606</u>
Creditors: Amounts falling due within one year	7	<u>(1,014,674)</u>	<u>(749,859)</u>
Net current assets		<u>471,217</u>	<u>147,747</u>
Total assets less current liabilities		601,275	259,347
Creditors: Amounts falling due after more than one year	7	<u>(727,273)</u>	<u>(778,310)</u>
Net liabilities excluding pension liability		(125,998)	(518,963)
Net pension liability		-	(1,032,000)
Net liabilities		<u>(125,998)</u>	<u>(1,550,963)</u>
Capital and reserves			
Called up share capital	9	10	10
Other reserves		1,308,000	-
Profit and loss account		<u>(1,434,008)</u>	<u>(1,550,973)</u>
Shareholders' deficit		<u>(125,998)</u>	<u>(1,550,963)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 08/09/22 and signed on its behalf by:

DocuSigned by:



904C79CCBC8B4CA
C Kreidewolf
 Director

The notes on pages 12 to 23 form an integral part of these financial statements.

IPSERV Limited

Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital	Other reserves	Profit and loss	Total
	£	£	account	£
			£	
At 1 April 2021	10	-	(1,550,973)	(1,550,963)
Loss for the year	-	-	(72,035)	(72,035)
Other comprehensive income	-	-	189,000	189,000
Total comprehensive income	-	-	116,965	116,965
Pension transfer to subsidiary	-	1,308,000		1,308,000
At 31 March 2022	10	1,308,000	(1,434,008)	(125,998)

	Share capital	Profit and loss	Total
	£	account	£
		£	
At 1 April 2020	10	(803,877)	(803,867)
Loss for the year	-	(252,096)	(252,096)
Other comprehensive income	-	(495,000)	(495,000)
Total comprehensive income	-	(747,096)	(747,096)
At 31 March 2021	10	(1,550,973)	(1,550,963)

The notes on pages 12 to 23 form an integral part of these financial statements.

IPSERV Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Grafton House
Russell Road
Ipswich
Suffolk
IP1 2DE
England

2 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with the accounting policies set out below. These financial statements have been prepared in accordance with FRS102, section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

Going concern

The financial statements have been prepared on a going concern basis.

As the company is showing a shareholder's deficit on the balance sheet, the directors have obtained a letter of comfort from the sole shareholder, Ipswich Borough Council confirming that the shareholder will provide financial support for a period of twelve months from the date of the approval of these financial statements..

Revenue recognition

Cleaning

Revenue is recognised when the service is performed for the customer.

Parking income

Parking income is recognised when the service has been provided, that is when a parking space has been utilised. Income from Parking Charge Notice (PCNs) is recognised on the receipt of the payment in the Company bank account.

Inter group recharges

Revenue derived from Inter group recharges is recognised when the costs have been incurred. The company incurs costs on behalf of other group companies and recharge them at an agreed mark-up.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the Lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance income and expenses

Finance expenses comprise interest payable and finance charges. Financing income comprise interest receivable.

Government grants

The company has taken advantage of the Government's Coronavirus Job Retention Scheme during the year and received income of £10,938 (2021: £62,991) shown within other operating income.

IPSERV Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Tax

Taxation represents the sum of tax currently payable and deferred tax. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tangible assets

Property, Plant & Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as *separate items of property, plant and equipment*.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Plant and Equipment 5 years

Office equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Amortisation

Amortisation is charged to the income statement in a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Intangible assets 3 years

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in-hand and short term deposits with an original maturity date of three months or less.

IPSERV Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Trade debtors

Financial Assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Trade creditors

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measure at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

IPSERV Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Defined benefit pension obligation

Pension Costs & Other Post Retirement Benefits

As part of the terms and conditions of employment of its employees, the company offers retirement benefits. Although these benefits will not actually be payable until employees retire, the company has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The company participates in the Local Government Pension Scheme, which is administered by Suffolk County Council. This is a funded defined benefit final salary scheme, meaning that the company and employees pay contributions into a fund, calculated at a level to balance the liabilities with investment assets.

The principal risks to the company of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and performance of the equity investments held by the scheme.

The fair value of plan assets is measured in accordance with the FRS102 fair value hierarchy. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "Remeasurement loss recognised on defined benefit scheme."

Basis of Preparation

The accounts have been prepared under the historical cost convention in accordance with the accounting policies set out below. These financial statements have been prepared in accordance with FRS102, section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

3 Loss before tax

Arrived at after charging

	2022	2021
	£	£
Depreciation expense	38,492	34,848
Amortisation expense	<u>4,372</u>	<u>3,551</u>

IPSERV Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

4 Intangible assets

	Other intangible assets £	Total £
Cost or valuation		
At 1 April 2021	10,651	10,651
Additions acquired separately	29,588	29,588
At 31 March 2022	40,239	40,239
Amortisation		
At 1 April 2021	4,438	4,438
Amortisation charge	4,372	4,372
At 31 March 2022	8,810	8,810
Carrying amount		
At 31 March 2022	31,429	31,429
At 31 March 2021	6,213	6,213

5 Tangible assets

	Plant and machinery £	Total £
Cost or valuation		
At 1 April 2021	182,100	182,100
Additions	31,735	31,735
At 31 March 2022	213,835	213,835
Depreciation		
At 1 April 2021	76,713	76,713
Charge for the year	38,493	38,493
At 31 March 2022	115,206	115,206
Carrying amount		
At 31 March 2022	98,629	98,629
At 31 March 2021	105,387	105,387

IPSERV Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

6 Debtors

	2022 £	2021 £
Trade debtors	79,745	53,417
Amounts owed by group undertakings and undertakings in which the company has a participating interest	559,221	484,041
Prepayments	397,555	249,840
Other debtors	1,127	2,002
	<u>1,037,648</u>	<u>789,300</u>

7 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	11	41,886	60,961
Trade creditors		58,119	104,815
Amounts owed to group undertakings and undertakings in which the company has a participating interest		-	62,176
Taxation and social security		324,627	379,404
Accruals and deferred income		590,042	142,503
		<u>1,014,674</u>	<u>749,859</u>

Loans and borrowings

In 2018 the company undertook a £350,000 (Three hundred and fifty thousand pounds) five year unsecured revolving loan facility with Ipswich Borough Council repayable in full by 24/12/2023.

In 2018 the company undertook a £125,000 (One hundred and twenty five thousand pounds) five year unsecured loan with Ipswich Borough Council repayable by instalments by 24/12/2023.

In 2019 the company undertook a £350,000 (Three hundred and fifty thousand pounds) ten year unsecured revolving loan facility with Ipswich Borough Assets Limited repayable in full by 02/01/2029.

IPSERV Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
Due after one year			
Loans and borrowings	11	<u>727,273</u>	<u>778,310</u>

Loans and borrowings

In 2018 the company undertook a £350,000 (Three hundred and fifty thousand pounds) five year unsecured revolving loan facility with Ipswich Borough Council repayable in full by 24/12/2023.

In 2018 the company undertook a £125,000 (One hundred and twenty five thousand pounds) five year unsecured loan with Ipswich Borough Council repayable by instalments by 24/12/2023.

In 2019 the company undertook a £350,000 (Three hundred and fifty thousand pounds) ten year unsecured revolving loan facility with Ipswich Borough Assets Limited repayable in full by 02/01/2029.

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	2,863,698	2,309,887
Social security costs	207,016	173,727
Pension costs, defined benefit scheme	796,865	420,625
Other employee expense	<u>38,702</u>	<u>6,333</u>
	<u>3,906,281</u>	<u>2,910,572</u>

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

	2022 No.	2021 No.
Administration and support	<u>98</u>	<u>80</u>
	<u>98</u>	<u>80</u>

9 Share capital

Allotted, called up and fully paid shares

	2022 No.	£	2021 No.	£
Ordinary Shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

10 Reserves

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

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Notes to the Financial Statements for the Year Ended 31 March 2022

	Retained earnings £	Total £
Remeasurement gain/(loss) on defined benefit pension scheme	189,000	189,000

The changes to each component of equity resulting from items of other comprehensive income for the prior year were as follows:

	Retained earnings £	Total £
Remeasurement gain/(loss) on defined benefit pension schemes	(495,000)	(495,000)

The Profit & Loss reserve includes all current and prior year retained profits/losses, net of dividends paid.

11 Loans and borrowings

	2022 £	2021 £
Non-current loans and borrowings		
Loans	727,273	778,310

	2022 £	2021 £
Current loans and borrowings		
Loans	41,886	60,961

Loans and borrowings

In 2018 the company undertook a £350,000 (Three hundred and fifty thousand pounds) five year unsecured revolving loan facility with Ipswich Borough Council repayable in full by 24/12/2023.

In 2018 the company undertook a £125,000 (One hundred and twenty five thousand pounds) five year unsecured loan with Ipswich Borough Council repayable by instalments by 24/12/2023.

In 2019 the company undertook a £350,000 (Three hundred and fifty thousand pounds) ten year unsecured revolving loan facility with Ipswich Borough Assets Limited repayable in full by 02/01/2029.

12 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	43,962	-
Later than one year and not later than five years	51,142	-
	95,104	-

The amount of non-cancellable operating lease payments recognised as an expense during the year was £31,147 (2021 - £Nil).

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13 Pension and other schemes

Defined benefit pension schemes

Suffolk County Council Pension Scheme

On 1 March 2022, the Company transferred the assets and liabilities of the scheme to its subsidiary, Ipserv Employers Limited. The contracts of all staff, along with accumulated and future pension rights, also transferred on that date.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £(834,000) (2021 - £(454,000)).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £Nil (2021 - £-).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2022 £	2021 £
Fair value of scheme assets	-	1,352,000
Present value of defined benefit obligation	-	(2,384,000)
Defined benefit pension scheme deficit	-	(1,032,000)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2022 £
Opening position as at 31 March 2021	2,384,000
Current service cost	781,000
Interest cost on defined benefit obligation	53,000
Participants contributions	103,000
Liabilities extinguished upon transfer to subsidiary	(3,174,000)
Changes in financial assumptions	(131,000)
Changes in demographic assumptions	(16,000)
Closing position as at 31 March 2022	-

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

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Notes to the Financial Statements for the Year Ended 31 March 2022

	2022 £
Fair value at start of year	1,352,000
Interest income	29,000
Return on plan assets, excluding amounts included in interest income/(expense)	42,000
Employer contributions	340,000
Contributions by scheme participants	103,000
Assets distributed upon transfer to subsidiary	(1,866,000)
Fair value at end of year	<u>-</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2022 %	2021 %
Cash and cash equivalents	1	2
Equity instruments	66	58
Property	10	10
Investment funds	23	30
	<u>100</u>	<u>100</u>

Return on scheme assets

	2022 £	2021 £
Return on scheme assets	<u>-</u>	<u>172,000</u>

The expected return in scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The company's underlying assets and liabilities for retirement benefits at 31 March 2022 are shown above. These Liabilities represent the long-term underlying commitment that the company has to pay retirement benefits.

Liabilities have been assessed using the projected unit method, an estimate of the pensions that will be payable in future years, based on assumptions about mortality rates and salary levels. The actuary determines the rate of employer contribution over the remaining working life of the employees necessary to meet all liabilities. The main assumptions used in their calculation are shown below;

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

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Notes to the Financial Statements for the Year Ended 31 March 2022

	2022	2021
	%	%
Future salary increases	-	3.50
Future pension increases	-	2.80
Inflation	-	2.05

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

Post retirement mortality assumptions

	2022	2021
	Years	Years
Current UK pensioners at retirement age - male	-	22.10
Current UK pensioners at retirement age - female	-	24.50
Future UK pensioners at retirement age - male	-	23.20
Future UK pensioners at retirement age - female	-	26.40

The assets of the scheme are held separately from those of the company, being managed by an independent investment manager. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting year.

The approximation involved in the roll forward model means that the split of scheme liabilities between the three classes of member may not be reliable for certain types of employer. However, the Actuary is satisfied that the approach used leads to reasonable estimates for the aggregate liability figure.

It is assumed that all unfunded pensions are payable for the remainder of the member's life. It is further assumed that 90% of pensioners are married (or cohabiting) at death and that their spouse (cohabitee) will receive a pension of 50% of the member's pension as at the date of the member's death.

The Fund Actuary, using information provided by the scheme and assumptions determined by the Council in conjunction with the actuary, has provided the above figures. Actuarial calculations involve estimates based on assumptions about events and circumstances in the future, which may mean that the result of the actuarial calculations may be affected by uncertainties within a range of possible values.

Further information can be found in Suffolk County Council's Pension <https://www.suffolk.gov.uk> Fund Annual Report, which is available upon request from the Director of Finance.

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Notes to the Financial Statements for the Year Ended 31 March 2022

14 Taxation

Tax charged/(credited) in the income statement

2022	2021
£	£
Nil	Nil

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2021 - higher than the standard rate of corporation tax in the UK of 19%)

The differences are reconciled below:

	2022 £	2021 £
Loss before tax	(72,035)	(252,096)
Corporation tax at standard rate	(13,687)	(47,898)
Remeasurement of deferred tax for changes in tax rates	(59,115)	-
Amounts relating to other comprehensive income	51,111	(94,050)
Deferred tax not recognised	64,273	132,271
Fixed asset differences	(1,386)	2,110
Under/(over) statement of prior year tax charge	(52,440)	-
Group relief surrendered/(claimed)	11,244	7,567
Total tax charge/(credit)	-	-

Deferred tax

The Company has an unrecognised tax losses of £72,035 (2021: £194,728). No asset has been recognised in respect of these losses.

15 Parent and ultimate parent undertaking

The company's ultimate parent undertaking is Ipswich Borough Council. The company is included within the group accounts of Ipswich Borough Council which are publicly available at the registered office address, Grafton House, Russell Road, Ipswich, Suffolk, IP1 2DE (<https://www.ipswich.gov.uk/contactus>).

Related party transactions

The company has elected to adopt the exemption within Section 33.1A of FRS 102 from disclosing transactions with wholly-owned subsidiaries of Ipswich Borough Council.