Registered Number 02950904

Evolve Analytics Limited
Annual report and financial statements
for the year ended 30 April 2015

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Evolve Analytics Limited

Directors and advisers for the year ended 30 April 2015

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A Duggan
D C Humphreys

Secretary
D C Humphreys

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Independent auditors
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Bankers
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Evolve Analytics Limited

Strategic report for the year ended 30 April 2015

The directors present their strategic report and directors' report together with the audited financial statements for the year ended 30 April 2015.

Principal activities
The principal activity of the company is the provision of consultancy services to utility providers.

Business review and future developments
Evolve Analytics is a wholly owned subsidiary of EnServe Group Limited ("the Group"), forming part of the Analytics division of the Group. We aim to present a balanced and comprehensive review of the company's performance and development during the year and its position at the year end. Our review is consistent with the size and nature of our business and also covers the principal risks and uncertainties faced by the company. The development, performance and position of the Analytics division of the Group is discussed within the business and finance review of the Group's annual report, which does not form part of this report.

Having refocused the business on its core offering, being the identification of energy imbalance, management set out a clear strategy of developing its bespoke software, to become a meter point consumption data management tool. The software takes an end-to-end view of a supply point, rather than just the settlement versus billing imbalance. This strategy was implemented and accelerated during the year following market feedback. The first major client to commit has been Npower, one of the UKs "big 6" suppliers. The software was tested for the month of March and is being deployed to the wider NPower team in July 2015. This software will be licensed for use directly by clients. This development and sales effort is being undertaken whilst the business continues with its core bureau service.

Development and performance of the business
The company had a strong year ended 30 April 2015, characterised by the successful trial of the new software offering, as well as contract wins with new clients and contract extensions with existing clients. Building on the return to profitability in 2014, the company generated an operating profit of £974,000 before exceptional charges. The exceptional charges relate to the write off of an inter-company balance with a US subsidiary, which has ceased trading.

The traditional bureau service had another successful year, generating both profit and cash well in excess of budget. The working capital cycle was further shortened during the year, specifically Accrued Income and Trade Receivables have an average of 53 days during the year, 25 days at year end.

Results and dividends
The company's balance sheet is set out on page 9. The directors consider that the financial position of the company is satisfactory. The results for the company show a pre-tax loss of £1,717,000 (2014: pre-tax profit £657,000). During the year exceptional costs of £2,691,000 (2014 costs: £26,000) were incurred; this relates to the write off on an inter-company loan to a subsidiary based in the US, which has now ceased trading, and an impairment charge relating to the investment. There is an increase in operation profit to £974,000 (2014: £683,000). Whilst competition for the core offering, which predominately comes from resource within Utility providers, remains high, the business continues to develop its offering across the sector with favourable feedback from the market. The Directors did not declare an ordinary dividend during the year (2014: £nil).

Strategic report for the year ended 30 April 2015 (continued)

Principle risks and uncertainties
The principal risks and uncertainties of the Group, which included those of the company, are discussed within the business and finance review of the Group's annual report, which does not form part of this report.

The directors consider the following risks to be the most material or significant for the management of the business. These issues do not purport to be a complete list or explanation of all the risk factors facing the company. In particular the company's performance may be affected by changes in the market and/or economic conditions and changes in legal, regulatory or tax requirement legislation. Additional risks and uncertainties not presently known to the company or that the company currently deems immaterial may also impact the business.

Competition (operational and quality risk)
Certain customers generate material business levels for the company. The loss of a key customer could affect profitability.

Key personnel (people risks)
The company has in place an experienced and motivated senior management team and considers its management team has strength in depth. However the loss of a significant number of key personnel could have an adverse impact on the company's operations, reputation and future prospect.

Intellectual property (operation and quality risks)
The company uses proprietary software tools to analyse data. Whilst substantial efforts are made to ensure security and stability, the loss or theft of such intellectual property could affect the company's competitive position.

Financial, operational and management information systems (financial risks and operational risks)
The successful operation of the company's business depends on maintaining the integrity and operation of the company's computer and communications systems. These systems incorporate disaster recovery and resilience planning but are vulnerable to damage or interruption from events which are beyond the control of the company.

Key performance indicators
The directors of the Group manage the Group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The key performance indicators of the Group, applicable to all divisions of the Group, which includes the company, are noted in the directors' report of the Group's annual report, which does not form part of this report.

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

D Humphreys
Director
31 July 2015

Evolve Analytics Limited

Directors' report for the year ended 30 April 2015

The directors present their report and the audited financial statements of the company for the year ended 30 April 2015.

Future developments
The future developments of the company are discussed within the Strategic report.

Directors
The directors of the company during the year and up to the date of signing the financial statements are noted on page 1.

Third party indemnity provision
A qualifying third party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the directors and the company secretary in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, a directors' and officers' liability insurance policy was maintained throughout the financial year.

Financial risk management
Financial risk management of the company is included in note 13 to these financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditors

In so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

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

D Humphreys
Director
31 July 2015

Independent auditors' report to the members of Evolve Analytics Limited

Report on the financial statements

Our Opinion
In our opinion, Evolve Analytics Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 April 2015 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited
Evolve Analytics Limited's financial statements comprise:

- the Balance sheet as at 30 April 2015;
- the Income statement for the year then ended;
- the Cash flow statement for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Evolve Analytics Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors
As explained more fully in the Statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Nicholas Boden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
31 July 2015

Evolve Analytics Limited

Income statement for the year ended 30 April 2015

	Note	2015 £'000	2014 £'000
Revenue		**2,011**	1,642
Operating expenses		**(1,037)**	(959)
Operating profit before exceptional items		**974**	683
Exceptional items	6	**(2,691)**	(26)
Operating (loss)/profit	4	**(1,717)**	657
Interest receivable		**-**	-
Dividend income		**-**	-
(Loss)/profit on ordinary activities before taxation		**(1,717)**	657
Tax on profit/(loss) on ordinary activities	7	**(34)**	(2)
(Loss)/profit for the financial year	16	**(1,751)**	655

All items dealt with in arriving at the profit above relate to continuing activities.

The company has not prepared a separate statement of comprehensive income as there are no other recognised gains or losses other than those included in the results above.

Evolve Analytics Limited

Balance sheet at 30 April 2015

	Note	2015 £'000	2014 £'000
Assets			
Non-current assets			
Plant and equipment	8	738	285
Investments	9	3,543	5,000
Deferred tax assets			22
		4,281	5,307
Current assets			
Trade and other receivables	11	1,149	2,365
Cash and cash equivalents		575	212
		1,724	2,577
Total assets		6,005	7,884
Liabilities			
Current liabilities			
Trade and other payables	12	(5,617)	(5,754)
Deferred tax liabilities	10	(9)	
Total liabilities		(5,626)	(5,754)
Net assets		379	2,130
Equity			
Capital and reserves attributable to owners of the parent			
Share capital	14	12,491	12,491
Share premium	15	3,173	3,173
Accumulated losses	16	(15,285)	(13,534)
Total equity		379	2,130

These financial statements on pages 8 to 28 were approved by the Board of Directors and authorised for issue on 31 July 2015.

Signed on behalf of the Board of Directors

D Humphreys
Director

Company registered number: 02950904

Evolve Analytics Limited

Statement of changes in equity for the year ended 30 April 2015

Attributable to the owners of the parent:	Share capital £'000	Share premium £'000	Accumulated losses £'000	Total Equity £'000
Balance at 1 May 2013	12,491	3,173	(14,189)	1,475
Profit for the year	-	-	655	655
Balance at 1 May 2014	12,491	3,173	(13,534)	2,130
Loss for the year	-	-	(1,751)	(1,751)
Balance at 30 April 2015	**12,491**	**3,173**	**(15,285)**	**379**

Evolve Analytics Limited

Cash flow statement for the year ended 30 April 2015

	Note	2015 £'000	2014 £'000
Operating activities			
Net cash generated from/(used in) operations	17	**911**	(917)
Tax		**(3)**	2
Net cash generated from/(used in) operating activities		**908**	(915)
Investing activities			
Purchase of plant and equipment	8	**(545)**	(217)
Net cash used in investing activities		**(545)**	(217)
Net increase/(decrease) in cash and cash equivalents		**363**	(1,132)
Cash and cash equivalents at the beginning of the year		**212**	1,344
Cash and cash equivalents at the end of the year		**575**	212

In the current and the prior year, cash and cash equivalents represents the net balance of cash.

Notes to the financial statements for the year ended 30 April 2015

1. General information

Evolve Analytics Limited is a private limited company incorporated and domiciled in the United Kingdom (UK) under the Companies Act 2006. The nature of the company's operations and its principal activities are set out in the directors' report.

The address of the registered office is Ashwood Court, Springwood Way, Tytherington Business Park, Macclesfield, SK10 2XF. The registered number of the company is 02950904

The company's financial statements are presented in sterling and rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The principal significant accounting policies adopted by the company are set out in note 2. These policies have been consistently applied in all years presented unless otherwise stated.

2 Significant accounting policies

Basis of preparation
The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using IFRS and interpretations issued by the IFRS IC and under the historic cost convention. The following IFRS and IFRIC interpretations do not have any material impact on the current or prior year financial statements, but may affect the accounting for future transactions or arrangements. At the date of the authorisation of these consolidated financial statements, the following IFRSs and International Accounting Standards (IAS) have been issued but are not effective for the Group:

International Accounting Standards (IAS/IFRSs)	Effective date
IFRS 10 Amendment Consolidated Financial Statements	1 January 2015
IFRS 11 Amendment Joint Arrangements	1 January 2015
IFRS 12 Amendment Disclosure of Interests in Other Entities	1 January 2015
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IAS 27 Separate Financial Statements	1 January 2015
IAS 28 Investments in Associates and Joint Ventures	1 January 2015
IAS 32 Amendment - Offsetting Financial Assets and Financial Liabilities	1 January 2015
IAS 36 Amendment – Impairment of Assets	1 January 2015
IAS 39 Amendment – Financial Instruments	1 January 2015

2 Significant accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operating existence for the foreseeable future and meet its liabilities as they fall due.

At the balance sheet date the company had net assets of £379,000 (2014: £2,130,000) including net balances due to other Group undertakings of £4,356,000 (2014: £3,381,000).

The directors have prepared forecasts and budgets to April 2015, showing that the company will generate operating profits and cash. The company also has cash balances of £575,000 (2014: £212,000) at the balance sheet date

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted for use in the European Union.

Consolidation exemption

The company is a wholly-owned subsidiary of EnServe Group Limited and is included in the consolidated financial statements of EnServe Group Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Chapter 4 of part 16 of the Companies Act 2006.

Revenue

Revenue is recognised and accrued at the point there is confirmation from a third party, either customer or market intermediary, that in all likelihood revenue has been earned. The amount recorded is the expected amount receivable until the final commission amount is known. At this point, the commission is billed and the accrued income becomes a debtor of the company for settlement under the agreed payment terms.

Pension costs

The Group operates a number of defined contribution pension schemes. Contributions to defined contribution pension schemes are expensed to the profit and loss account in the year which they relate. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax recoverable is based on the taxable loss for the period. Taxable losses differs from net loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items of income or expense that are never taxable or deductible.

2 Significant accounting policies (continued)

Taxation (continued)
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit as reported in the income statement.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with as an addition or reduction to equity.

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

Exceptional items
Items that are both material and non-recurring and whose significance is sufficient to warrant separate disclosure and identification within the financial statements are referred to as exceptional costs. Items that may give rise to classification as exceptional costs include, but are not limited to, significant and material restructuring closures and reorganisation programmes, asset impairments and profits or losses on the disposal of businesses. Such items are disclosed separately within the financial statements.

Plant and equipment
Plant and equipment are stated at historic cost less accumulated depreciation and any recognised impairment loss. Historic cost includes the expenditure that is directly attributable to the acquisition of related assets.
Depreciation is charged so as to write off the cost or valuation of assets over their useful estimated lives, using the straight line method, on the following bases:

Computer hardware	-	25 per cent
Fixtures and fittings	-	15 per cent
Office equipment	-	20 per cent

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

2 Significant accounting policies (continued)

Plant and equipment (continued)
The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Investments
Investments in subsidiaries are stated at cost less any provision for impairment.

Impairment of fixed assets
At each balance sheet date, the company reviews the carrying values of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying value, the carrying value of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Provisions
Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the Balance sheet date, and are discounted to present value where the effect is material.

Financial assets
Financial assets are recognised when the company becomes party to the contracts that give rise to them and are classified as financial assets at fair value through profit or loss; loans and receivables; held-to maturity investments; or as available-for-sale financial assets, as appropriate. The company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial period-end. When financial assets are recognised initially, they are measured at fair value.

All regular way purchases and sales of financial assets are recognised on the trade date, being the date that the company commits to purchase or sell the asset. Regular way transactions require delivery of assets within the timeframe generally established by regulation or convention in the market place. The subsequent measurement of financial assets depends on their classification, as follows:

Notes to the financial statements for the year ended 30 April 2015

2 Significant accounting policies (continued)

Financial assets (continued)
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Interest bearing loans and borrowings
Obligations for loans and borrowings are recognised when the company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Leases
Rentals paid under operating leases are charged to the income statement as incurred. Benefits received and receivable as an incentive to enter into an operating lease are spread on a straight line basis over the lease term.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax, from the proceeds.

3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Notes to the financial statements for the year ended 30 April 2015

3 Critical accounting estimates and judgements (continued)

Revenue recognition

Revenue is recognised and accrued at the point there is confirmation form a third party, either customer or market intermediary, that in all likelihood revenue has been earned. The amount recorded is the expected amount receivable until the final commission amount is known. At this point, the commission is billed and the accrued income becomes a debtor of the company for settlement under the agreed payment terms.

Impairment of investments

The Group tests annually whether the investment has suffered impairment, in accordance with the stated accounting policy for purchased goodwill. The recoverable amounts of the single cash generating unit (CGU) has been determined based on value in use calculations, which require the use of estimates as referred to in note 6.

Notes to the financial statements for the year ended 30 April 2015

4 Operating (loss)/profit

The operating (loss)/profit for the year is stated after charging:	**2015** **£'000**	2014 £'000
Staff costs (including directors) (note 5)	**583**	637
Depreciation of tangible fixed assets – owned (note 8)	**92**	76
Operating leases (note 18)	**22**	14
Impairment of investments (note 6)	**1,457**	-
Bad debt write off and redundancy payments (note 6)	**-**	18

Services provided by the Group's auditors
During the year the Group obtained the following services from its auditor at costs as detailed below:

	2015 **£'000**	2014 £'000
Audit services		
Fees payable to the company's auditors for the company financial statements	**15**	9

The auditors' remunerations for the year ended 30 April 2015 and year ended 30 April 2014 were borne by EnServe Group Limited.

5 Directors and employees

	2015 **£'000**	2014 £'000
The aggregate payroll costs, including directors were:		
Wages and salaries	**516**	561
Social security costs	**55**	72
Other pension costs	**12**	4
	583	637

The average monthly number of full-time, part-time and temporary employees during the year were:

	2015 **£'000**	2014 £'000
Management	**2**	2
Operations and administration	**17**	16
	19	18

The highest paid director by the company for the year was £258,500 (2014: £193,995).

Notes to the financial statements for the year ended 30 April 2015

6 Exceptional items

	2015 £'000	2014 £'000
Recognised in arriving at operating loss from continuing operations		
Impairment of investments	(1,457)	-
Write off of intercompany loan	(1,234)	-
Redundancy payments	-	(18)
Adjustment of retained profit	-	(8)
	(2,691)	(26)

Impairment of investments
This relates to the impairment in the carrying value of the company's investment in Revenue Assurance Consulting Limited.

Write off of intercompany loan
This relates to an intercompany loan due from a fellow Group company which was assessed as being irrecoverable.

Redundancy payments
This represents redundancy payments to a former Director.

Notes to the financial statements for the year ended 30 April 2015

7 Tax on (loss)/profit on ordinary activities

(a) Tax on (loss)/profit on ordinary activities

	2015 £'000	2014 £'000
Current tax		
Corporation tax at 20.92% (2014: 22.83%)	-	-
Adjustments in respect of prior years	3	-
Total current tax	3	-
Deferred tax		
UK deferred tax charge (note 10)	31	2
Total deferred tax	31	2
Tax on (loss)/profit on ordinary activities	34	2

(b) Factors affecting the tax charge for the year
The tax for the year is lower (2014: higher) than the standard effective rate of corporation tax in the UK for the year ended 2015 of 20.92% (2014: 22.83%). This reconciles as follows:

	2015 £'000	2014 £'000
(Loss)/profit on ordinary activities before tax:	(1,717)	657
(Loss)/profit on ordinary activities at 20.92% (2014: 22.83%)	(359)	150
Adjustments in respect of prior years	34	-
Effect of impairment of investments	-	-
Effect of dividend income	-	-
Tax losses surrendered to group companies	359	-
Utilisation of Group tax losses	-	(155)
Other differences	-	7
Tax on (loss)/profit on ordinary activities	34	2

(c) Factors affecting current and future tax charges

During the year, effective from 1 April 2015, the standard rate of corporation tax in the UK changed from 23% to 21%. Accordingly the Company's profits for these years are taxed at an effective rate of 20.92% (2014: 22.83%). In accordance with the Finance Act 2013, enacted on 2 July 2013, the standard rate of corporation tax has been reduced to 21%, with a further 1% reduction to 20% effective from 1 April 2015.

Notes to the financial statements for the year ended 30 April 2015

8 Plant and equipment

	Plant and equipment £'000
Cost	
As at 1 May 2014	593
Additions	545
Disposals	(240)
As at 30 April 2015	**898**
Accumulated depreciation	
As at 1 May 2014	308
Charge for the year	92
Disposals	(240)
As at 30 April 2015	**160**
Net book value:	
At 30 April 2015	**738**
At 30 April 2014	285

9 Investments

	2015 £'000	2014 £'000
At 1 May	**5,000**	5,000
Impairment of investment (note 6)	**(1,457)**	-
At 30 April	**3,543**	5,000

Investment was impaired to the net asset value of the subsidiary, Revenue Assurance Consulting Limited.

At 30 April 2015 the company held more than 20% of the allotted share capital of the following subsidiary undertaking.

Subsidiary Undertaking	**Nature of business**
Revenue Assurance Consulting Limited	Non trading

Notes to the financial statements for the year ended 30 April 2015

10 Deferred tax asset

The following are the major deferred tax assets recognised by the company and the movements thereon during the current and prior reporting year:

	Accelerated tax depreciation £'000
Balance at 1 May 2013	24
Charge to the income statement	(2)
Balance at 30 April 2014	22
Charge to the income statement	**(31)**
Balance at 30 April 2015	**(9)**

At the balance sheet date the company has unused tax losses of £2,116,723 (2014: £2,116,723) available for offset against future profits. No deferred tax asset has been recognised in respect of £1,630,204 (2014: £2,116,723) due to the unpredictability of future profits. All losses may be carried forward indefinitely.

The deferred tax asset is expected to be recovered within one year.

11 Trade and other receivables

	2015 £'000	2014 £'000
Current assets		
Trade receivables	**88**	151
Provision for bad debt	**-**	-
Trade receivables – net	**88**	151
Prepayments and other debtors	**83**	68
Amounts owed by Group companies	**890**	1,974
Accrued income	**88**	172
	1,149	2,365

11 Trade and other receivables (continued)

The average credit period taken for trade receivables is 23 days (2014: 34 days). Accrued income relates to work performed not yet invoiced. The amount is recognised when there is sufficient evidence of performance under the related customers' arrangement and the items can be measured at monetary amount within sufficient reliability.

Trade receivables that are less than 2 months past due are not considered impaired.

The ageing analysis of these trade receivables is as follows:

	2015	2014
	£000	£000
Current	**91**	138
One to six months	**4**	20
Over six months	**(7)**	(7)
	88	151

Provision for impairment of trade receivables is £nil (2014: £nil).

All the company's receivables are denominated in UK Sterling.

The other classes within trade and other receivables do not contain assets which are considered to be impaired.

The maximum exposure to credit risk at the reporting date is the carrying value of each receivable mentioned above. The company does not hold any collateral as security. No further credit risks noted.

Amounts due from Group companies
These balances are non-interest bearing, have no fixed repayment term and are unsecured.

Notes to the financial statements for the year ended 30 April 2015

12 Trade and other payables

	2015 £000	2014 £000
Trade payables and accruals	**25**	56
Other taxation and social security cost	**102**	197
Amount owed to Group undertakings	**5,246**	5,355
Accruals and other creditors	**244**	146
	5,617	5,754

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 35 days (2014: 104 days). The directors consider that the carrying amount of trade payables approximates to their fair value. No risk regarding impairment noted.

Amounts due to Group companies
These balances are non-interest bearing, have no fixed repayment term and are unsecured.

13 Financial instruments

The company's principal financial instruments comprise loans from Group companies and bank overdrafts. The main purpose of these financial liabilities is to raise finance for the company's operations. The company also has loans to and from fellow subsidiaries.

The main risk arising from the company's financial instruments is interest rate risk. There are no significant liquidity, foreign currency or credit risks.

Interest rate risk
Bank overdrafts bear interest at market rates

The other financial assets and financial liabilities of the company are non-interest bearing and therefore are not subject to interest rate risk.

13 Financial instruments (continued)

Liquidity risk
EnServe Group Limited and the head office team manage the liquidity risk in the Group and they monitor the cash flow position of the Group to prevent shortage of funds to meet liabilities when they fall due.

Foreign currency risk
The company has no significant foreign currency risk as very few transactions are carried out in currency other than Sterling.

Credit risk
The company operates effective credit control procedures in order to minimise exposure to overdue debts. There are credit limits set for all customers that are regularly monitored to ensure appropriateness.

The maturity profile of the financial liabilities of the company as at 30 April 2015 and 30 April 2014 based on contractual undiscounted payments is as follows:

Year ended 30 April 2015

	On demand £'000	Less than 3 months £'000	3-12 months £'000	Total £'000
Amounts due to Group companies	-	-	5,246	5,246
Trade and other payables	-	127	244	371
	-	127	5,490	5,617

Year ended 30 April 2014

	On demand £'000	Less than 3 months £'000	3-12 months £'000	Total £'000
Amounts due to Group companies	-	108	5,247	5,355
Trade and other payables	310	89	-	399
	310	197	5,247	5,754

Capital management
The company's primary capital management objective is to maintain a strong credit rating and healthy capital ratios. The company monitors capital using return on capital employed (ROCE), which is operating profit divided by net assets.

Notes to the financial statements for the year ended 30 April 2015

14 Share capital

	Ordinary shares of £1.00 each No.	Nominal value of ordinary shares of £1.00 each £000
Issued and fully paid: As at 1 May 2014	12,491,629	12,491
As at 30 April 2015	**12,491,629**	**12,491**

15 Share premium

	Share premium £000
As at 1 May 2014 and **30 April 2015**	3,173

16 Accumulated losses

	Accumulated losses £000
As at 1 May 2013	(14,189)
Profit for the year	655
As at 1 May 2014	**(13,534)**
Loss for the year	**(1,751)**
As at 30 April 2015	**(15,285)**

Notes to the financial statements for the year ended 30 April 2015

17 Notes to the cash flow statement

	2015 £000	2014 £000
Operating (loss)/profit from operations	**(1,717)**	657
Decrease in receivables	**132**	111
Decrease/(increase) in inter-company debtor	**1,084**	(184)
Decrease in inter-company creditor	**(109)**	(76)
Decrease in creditors	**(28)**	(1,504)
Depreciation of property plant and equipment (note 8)	**92**	76
Loss on disposal of assets	**-**	3
Impairment of investments (note 6)	**1,457**	-
Net cash generated from/(used in) operations	**911**	(917)

18 Guarantees and financial commitments

The company has entered into a Group unlimited cross party bank guarantee between itself and certain of its fellow subsidiary companies. The resultant guarantee amounts to £nil at 30 April 2015 (2014: £nil).

The company has outstanding commitments for future aggregate minimum lease payments under non-cancellable operating leases:

	Land and buildings	
	2015	2014
	£000	£000
Expiring:		
Within one year	**18**	-
Between two to five years	**91**	109
	109	109

Operating lease payments represent rentals payable by the company for its place of business office property. A new 10 year lease was entered into on 20 December 2014. The lease incorporates a tenant's only option to break at the expiry of the 5th year. The annual rent is £36,405, however year 1 is rent free, years 2 and 3 are half rent and years 4 and 5 are full rent.

Notes to the financial statements for the year ended 30 April 2015

19 Related party transactions

The following transactions were carried out with related parties:

Year-end balances arising from borrowings:

	2015 £000	2014 £000
Other subsidiary undertakings of Enserve Group Limited	**4,356**	3,380

20 Ultimate controlling party

Ultimate and immediate parent undertaking
The immediate parent undertaking is EnServe Group Limited, which is registered in England and Wales.

The company's ultimate parent undertakings are Fourth Cinven Fund (No.1) LP, Fourth Cinven Fund (No.2) LP, Fourth Cinven Fund (No.3 – VCOC) LP, Fourth Cinven Fund (No.4) LP, Fourth Cinven Fund (UBTI) LP, Fourth Cinven Fund Co-Investment Partnership, Fourth Cinven (MACIF) Partnership and Fourth Cinven Fund FCPR (together the 'Cinven Funds'), being funds managed or controlled by Cinven Limited, a company incorporated under the laws of England and Wales.

Accordingly, the directors consider the company's ultimate controlling party to be Cinven Limited.

Cilantro Midco Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements. EnServe Group Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Cilantro Midco Limited and EnServe Group Limited are available from the Company Secretary at Ashwood Court, Springwood Way, Tytherington Business Park, Macclesfield, SK10 2XF.