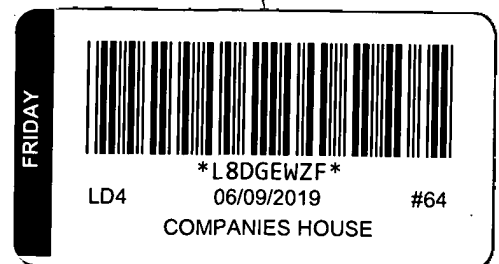


Company Registration No. 04197152

Maxxima Limited

Annual report and financial statements

For the year ended 31 December 2018



Maxxima Limited

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Maxxima Limited

Strategic report

The directors, in preparing this strategic report, have complied with Section 414C of the Companies Act 2006.

Principal activity

The principal activity of the company is the provision of staffing services to the healthcare sector in the United Kingdom.

Business review

As set out in the profit and loss account on page 9, turnover has decreased from £41.5m in 2017 to £40.0m in 2018 and gross profit has decreased from £4.3m in 2017 to £4.0m in 2018. The decrease in revenue reflected the subdued NHS staffing market and restrictions to the supply of workers following 2017's changes to IR35 regulations governing the taxation of workers at source. Net assets as at 31 December 2018 were £14.1m (2017: £11.9m).

Performance analysis

In the year, the company has focused on broadening its service offering, geographical coverage and quality of service. The directors have adopted the following strategies to achieve these objectives:

- Focus on growth in our core markets and brands.
- Invest in information technology solutions to improve the efficiency of processes and increase client and candidate engagement.
- Continue to diversify by expanding geographically and broadening our service offering with new health services.

The company is managed as part of a larger group and further detail is available in the consolidated financial statements of Indigo Parent Limited.

The Board monitors performance regularly throughout the period by reviewing a range of key performance indicators (KPIs). These include a range of customer, agency worker and employee focused indicators set to ensure that regulatory compliance and high quality of service is maintained along with commercial efficiency.

The principal financial KPIs for the company are gross profit and gross profit per staff member, being the key measure of the productivity of the workforce.

Total gross profit for the year was £4.0m (2017: £4.3m). Average gross profit per staff member for the year is £42,145 (2017: £46,836).

Future developments

The company is well positioned for the future. The group's strategy has been developed to support our clients in dealing with the underlying trend of increasing demand for health and social care services, driven by a growing and ageing population and a shortage of supply of clinical staff. The group continues to pursue a strategy of growing and diversifying both organically and by acquisition.

Risk management

The company actively considers and manages its risks. These include risks associated with:

- Generating revenue from its clients: in order to maintain the group's client base and geographical coverage, management performs regular business reviews to monitor performance against expectations. These reviews include monitoring the diversity of the client base to avoid over-reliance on any one customer. As with many businesses within the UK, the group also has an inherent risk arising from the political and economic climates in the UK. Within the group's Staffing segment, NHS market conditions have improved in the year. This market has medium to long term drivers which include the UK's growing and ageing population, and the shortage of supply of specialist staff.

Maxxima Limited

Strategic report (continued)

Risk management (continued)

These can be temporarily offset by short term regulatory initiatives (such as NHS Improvement's rationalisation programme announced in 2015) although at the date of this report no material new regulatory initiatives have been announced. The UK's exit from the EU is expected to disrupt the market dynamics in healthcare staffing by increasing the demand for temporary clinical staff and reducing the supply of temporary workers, but we expect this to have a net positive effect on the group's trading.

- Credit risk: the company's principal financial assets are cash, and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. This is managed by regular monitoring of client trade receivable accounts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

- Liquidity risk: in order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company regularly reviews the cash flows of the business and group and where deficits are forecast, the company is able to draw on group funding.

Approved by the Board and signed on its behalf:



T C Richards
Company Secretary/Director
14 June 2019

Maxxima Limited

Directors' report

The directors present their annual report on the affairs of the company together with the audited financial statements and independent auditor's report for the year ended 31 December 2018.

Dividends

Dividends of £nil were paid during the year (2017: £nil).

Directors and directors' indemnities

The directors, who served throughout the year and up to the date of this report, were as follows:

Richard MacMillan
Thomas Richards

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern

The directors have a reasonable expectation that the company and the group, Indigo Parent Limited, have adequate resources to continue in operational existence and the directors are satisfied that the group will generate sufficient cash flows to allow the group to operate within the covenants on its senior loan facility for a minimum of 12 months after the date of signing. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements as detailed in note 1 on page 12 of the financial statements.

Future developments

Details of the future developments of the company are explained on page 3 in the strategic report and form part of this report by cross-reference.

Risk management

Risk management including financial risk management of the company is detailed on page 3 and 4 in the strategic report and form part of this report by cross-reference.

Auditor

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Maxxima Limited

Directors' report (continued)

Statement of Directors' responsibilities

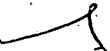
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 UK Accounting Standards 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 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.

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



T C Richards
Director
14 June 2019

Maxxima Limited

Independent auditor's report to the members of Maxxima Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Maxxima Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

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 respect of these matters.

Maxxima Limited

Independent auditor's report to the members of Maxxima Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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

Matters on which we are required to report by exception

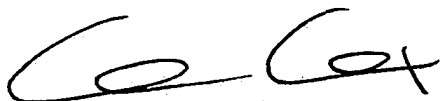
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



Emma Cox BA ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

17 June 2019

Maxxima Limited

Profit and loss account

For the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Turnover	3	40,008	41,515
Cost of Sales		(36,013)	(37,178)
Gross Profit		3,995	4,337
Other operating expenses		(1,745)	(2,054)
Operating Profit	4	2,250	2,283
Interest income	5	14	-
Interest expense	5	(50)	-
Profit before taxation		2,214	2,283
Tax on profit	7	(7)	(1)
Profit for the financial year		2,207	2,282

All results relate to continuing operations.

There are no items of other comprehensive income in either year other than those reflected in the profit and loss account. Accordingly, no separate statement of other comprehensive income is presented.

Maxxima Limited

Balance sheet

As at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	8	71	23
Tangible assets	9	1,196	426
		1,267	449
Current assets			
Deferred tax asset	10	-	2
Debtors: amounts falling due within one year	11	12,754	7,273
Cash and cash equivalents		6,358	8,471
		19,112	15,746
Total assets		20,379	16,195
Creditors: amounts falling due within one year	12	(5,627)	(4,271)
Net current assets		13,485	11,475
Total assets less current liabilities		14,752	11,924
Non-current liabilities			
Provisions for other liabilities	13	(57)	-
Deferred tax liability	10	(5)	-
Other non-current liabilities	14	(559)	-
Net assets		14,131	11,924
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account		14,131	11,924
Shareholder funds		14,131	11,924

The financial statements of Maxxima Limited (registered number 04197152) were approved and authorised for issue by the Board of Directors and were signed on its behalf by:


T C Richards
Director
14 June 2019

Maxxima Limited

Statement of changes in equity

For the year ended 31 December 2018

	Called up share capital £'000	Profit and loss account £'000	Total Equity £'000
At 1 January 2017	-	9,642	9,642
Profit and total comprehensive income for the year	-	2,282	2,282
Balance at 1 January 2018	-	11,924	11,924
Profit and total comprehensive income for the year	-	2,207	2,207
Balance at 31 December 2018	-	14,131	14,131

The notes on pages 12 to 26 are an integral part of these financial statements.

Maxxima Limited

Notes to the financial statements

For the year ended 31 December 2018

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year in dealing with material items in the financial statements.

Basis of accounting

Maxxima Limited is a private company limited by shares, registered in England and Wales, and incorporated in the United Kingdom under the Companies Act 2006. The registered office address of the company is Caledonia House, 223 Pentonville Road, London, N1 9NG. The nature of the company's operations and its principal activities are set out in the strategic report on page 3.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The company financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to such things as (to the extent applicable to the company) business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group financial statements of Indigo Parent Limited; which are available to the public and can be obtained as set out in note 19.

Going concern

The directors have prepared the financial statements on a going concern basis which they consider appropriate for the following reasons. The company is a subsidiary company within the Indigo Parent Limited group and is therefore reliant on the group to operate within the facilities in place with the group's banks. The directors have reviewed the cash flows and operating profits for the group for a period of twelve months from the date these financial statements are signed. Taking account of inherent market uncertainties and of reasonably possible changes in trading performance, the directors are satisfied that the group will generate sufficient cash flows to allow the group to operate within the covenants on its senior loan facility for the foreseeable future.

Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements of the company.

Further disclosure is provided in the consolidated financial statements of Indigo Parent Limited.

Changes in accounting policy and disclosures

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- Annual Improvements to IFRSs: 2015-17 Cycle
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 – Definition of Business
- Amendments to IAS 1 and IAS 8 – Definition of Material
- IFRIC 23 – Uncertainty over Income Tax Treatment

The Directors do not expect that the adoption of the remaining Standards and Interpretations listed above will have a material impact on the financial statements of the company in future years.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

1. Accounting policies (continued)

Adoption of new and revised standards

Application of IFRS 9 Financial Instruments

In the current year, the company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. In accordance with the transition provisions of IFRS 9, the company has elected not to restate comparatives.

Additionally, the company adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that were applied to the disclosures for 2018 and to the comparative period.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the company's balance sheet are described within note 1.

Application of IFRS 15 Revenue from Contracts with Customers

In the current year, the company has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios.

Details of the new requirements as well as their impact on the company's balance sheet are described below.

The company has applied IFRS 15 in accordance with the fully retrospective transitional approach without using the practical expedients for completed contracts in IFRS 15:C5(a), and (b), or for modified contracts in IFRS 15:C5(c) but using the expedient in IFRS 15:C5(d) allowing both non-disclosure of the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when it expects to recognise that amount as revenue for all reporting periods presented before the date of initial application, i.e. 1 January 2018.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the balance sheet. The company has not adopted the terminology used in IFRS 15 to describe such balances.

The company's accounting policies for its revenue streams are disclosed in detail below. Apart from providing more extensive disclosures for the company's revenue transactions, the application of IFRS 15 has not had a material impact on the financial position and/or financial performance of the company for the year ended 31 December 2017 or for the year ended 31 December 2018.

Application of IFRS 16 Leases

In the current year, the company, for the first time, has applied IFRS 16 Leases (as issued by the IASB in January 2016) in advance of its effective date.

IFRS 16 introduces new or amended requirements for the definition of a lease, lessee accounting and lessor accounting (in particular, increased disclosure requirements). Details of these new requirements as well as their impact on the company's balance sheet are described below.

The date of initial application of IFRS 16 for the company is 1 January 2018.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

1. Accounting policies (continued)

Adoption of new and revised standards (continued)

Application of IFRS 16 Leases (continued)

Under IFRS 16, the lessee and lessor accounting models are asymmetrical. While the IASB has retained the existing distinction between finance and operating leases for lessors, this is no longer relevant for lessees. In general, all leases within the scope of IFRS 16 are required to be brought on-balance by lessees, recognising a 'right-of-use' asset and a related lease liability at commencement of the lease. The subsequent accounting is generally similar to the finance lease model set out in IAS 17. Furthermore IFRS 16 establishes a control model for the identification of leases, distinguishing between lease and service contracts on the basis of whether there is an identified asset controlled by the customer.

On adoption of IFRS 16, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2018. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2018 was 5%.

	2018 £'000
Operating lease commitments disclosed as at 31 December 2017	1,381
Transitional adjustment *	(179)
Total leases	1,202
Discounted using the group's incremental borrowing rate of 5%	1,062
Lease liability recognised as at 1 January 2018	1,062

*Transitional adjustment reflects the decrease from minimum lease payments relating to properties as disclosed in 2017 versus expected lease payments defined under IFRS 16, as well as certain leases previously not included in lease commitments.

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the company. A right-of-use asset and lease liability in respect of each lease is recognised in the company balance sheet at the present value of the expected future lease payments that are unpaid at the commencement date. The lease payments are discounted to their present value using the company's incremental borrowing rate. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The company applies the cost model to subsequently measure the right-of-use assets, applying the depreciation requirements in IAS 16 Property, Plant & Equipment by depreciating right-of-use assets on a straight-line basis over the lease term. Right-of-use asset is assessed annually for impairment on a lease by lease basis and any impairment charge recognised is taken to the profit and loss account. Right-of-use assets are adjusted for any remeasurement of the lease liability, which is undertaken if there is a change in the lease term or there is an option to purchase the underlying assets.

Lease liabilities are subsequently measured after initial recognition by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect lease payments made. The carrying amount of lease liabilities is also adjusted to reflect any reassessment or lease modifications. In the event that lease incentives are received to enter into any leases, such incentives are incorporated on initial measurement of the lease liability.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

1. Accounting policies (continued)

Adoption of new and revised standards (continued)

Application of IFRS 16 Leases (continued)

In applying IFRS 16 for the first time, the company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2018 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to apply IFRS 16 to contracts that were not identified as containing a lease under IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease*.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is provided to write off the cost less the estimated residual value of intangible fixed assets by equal instalments over the estimated useful economic lives of the assets. These intangible assets are being amortised as follows:

Computer software	3 years
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Amortisation is included in administrative expenses.

Tangible fixed assets

Leasehold property comprises office accommodation and is shown at historical cost of acquiring the lease, less leasehold amortisation over the duration of the leasehold acquired. The cost of improvements to the lease acquired, to allow the accommodation to be of use for the purpose of the company, are added to the cost of the lease, and less subsequent amortisation based on the duration of the property leasehold. No revaluations are undertaken on leasehold property.

Furniture and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	over the term of the lease
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Furniture and fittings	3 – 10 years
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Right-of-use assets	over the term of the lease
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Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period.

Impairment of tangible and intangible assets

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets 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 to determine the extent of the impairment loss (if any).

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.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

1. Accounting policies (continued)

Impairment of tangible and intangible assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year.

Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Deferred tax is the tax expected to be payable or recoverable on 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, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable 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 taxable profit nor the accounting profit.

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 tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

1. Accounting policies (continued)

Revenue recognition

The company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major sources:

- Permanent staff
- Temporary staff

Permanent staff

The company provides placements of permanent staff. Revenue from the placement of permanent staff represents the contractual commission receivable, excluding value added tax, and is recognised (net of any provisions for clawback under the contract) when the performance obligations are satisfied – being the placement of the candidate with the end client.

Temporary staff

The company provides placements of temporary staff. Revenue from the placement of temporary staff represents the gross sales value of hours worked and is recognised when the performance obligations are satisfied – being the working of hours by the staff.

Provisions

Provisions for leased property dilapidations, and any other anticipated foreseen liabilities are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currency

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Finance costs

Where financial liabilities are measured at amortised cost using the effective interest method, interest expense is recognised on an effective yield basis in profit or loss within finance costs.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and released to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

1. Accounting policies (continued)

Financial assets and liabilities

The company has applied IFRS 9 in the year in accordance with the transition provisions set out in IFRS 9, electing not to restate comparatives. The requirements and their impact on the company's financial statements are as follows:

(a) Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, measured subsequently at fair value through other comprehensive income ("FVTOCI"); and fair value through the profit and loss account ("FVTPL"). IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI); and
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

There is no material impact on the classification or measurement category of financial assets from the initial application of IFRS 9. Trade and other receivables, loans to receivables and cash and bank balances were previously classified and measured as 'Loans and other receivables' under IAS 39, these are now classified and measured at 'amortised cost'.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies for financial liabilities. There is no impact on the classification or measurement category of financial liabilities on application of IFRS 9.

(b) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39. Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in profit and loss account. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in other reserves as at 1 January 2018. Accordingly, the information presented for the year ended 31 December 2017 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for the year ended 31 December 2018 under IFRS 9.

(c) General hedge accounting

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

1. Accounting policies (continued)

Financial assets and liabilities (continued)

There was no change to reserves as at 1 January 2018 as the impact of IFRS 9 on company reserves is not considered to be material.

Non-derivative financial instruments comprise investments, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost, less any impairment losses.

Services provided to client, which at the period end date have not been billed, are recognised as accrued income and included in trade and other receivables. Accrued income is valued initially at fair value less any expected impairment losses.

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents comprise cash balances and call deposits.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs.

Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

(d) Impairment of financial assets (including receivables):

A financial asset not at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. For trade receivables, the company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

The company has adopted IFRS 9: Financial instruments on 1 January 2018 resulting in a change in accounting policy for the impairment of financial assets. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at fair value through other comprehensive income ("FVTOCI"), but not to investments in equity instruments.

2. Key sources of estimation uncertainty and critical accounting judgements

Estimates and judgements 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.

There are no critical accounting estimates or judgements in either year disclosed.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

3. Turnover

All turnover relates to the provision of staffing services to the healthcare sector and is derived from the United Kingdom except for £281,000 generated in Europe (2017: £58,000).

Disaggregation of revenue	2018 £'000	2017 £'000
Permanent staff	57	-
Temporary staff	39,951	41,515
Total revenue	40,008	41,515

4. Notes to the profit and loss account

Profit before taxation is calculated after charging the following items:

	Note	2018 £'000	2017 £'000
Depreciation of tangible fixed assets owned	9	81	128
Depreciation of right-of-use asset	9	265	-
Amortisation of intangible assets	8	11	6

The audit fee of £14,107 (2017: £14,608) for Maxxima Limited is paid on its behalf by another group company.

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

5. Interest income and expense

	2018 £'000	2017 £'000
Interest receivable:		
- Bank interest	14	-
Interest income	14	-
Interest payable:		
- Interest on lease liabilities	(50)	-
Interest expense	(50)	-
Net finance income	(36)	-

6. Employees

6.1 Employee benefit expense

	2018 £'000	2017 £'000
Wages and salaries	3,874	4,035
Social security costs	431	269
Pension costs - defined contribution schemes	80	67
Total employee benefit expense	4,385	4,371

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

6. Employees (continued)

6.2 Average monthly number of people employed

	2018	2017
Average number of people employed (including directors)		
Management	1	1
Opérations	80	75
Administration	14	16
Average number of employees	95	92

6.3 Directors' emoluments

The directors were paid through fellow group companies for their services to the entire group with no amounts recharged to this company throughout both years.

7. Tax on profit

Tax charged to profit and loss comprises:

	Note	2018 £'000	2017 £'000
Current tax charge		-	-
Deferred tax			
Deferred tax charge/(credit) for the year		2	(31)
Adjustment in respect of prior years		5	32
Deferred tax charge	10	7	1
Tax charge		7	1

Changes to the UK corporate tax rates were enacted as part of Finance Act 2016 on 6 September 2016. This included reductions to the main rate to reduce the rate to 17% from 1 April 2020.

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2018 £'000	2017 £'000
Profit before taxation	2,214	2,283
At standard UK corporation tax rate of 19.00% (2017: 19.25%)	421	439
Group relief	(425)	(458)
Expenses not deductible	6	(12)
Adjustments in respect of prior years	5	32
Tax charge	7	1

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

8. Intangible asset

	Note	Computer software £'000
Cost		
As at 1 January 2018		29
Additions		59
As at 31 December 2018		88
Accumulated amortisation		
As at 1 January 2018		6
Amortisation	4	11
As at 31 December 2018		17
Net book value		
As at 31 December 2017		23
As at 31 December 2018		71

9. Tangible fixed assets

	Note	Leasehold improvements £'000	Furniture and equipment £'000	Right-of-use assets Note 16 £'000	Total £'000
Cost					
As at 1 January 2018		331	438	-	769
On recognition of IFRS 16		-	-	1,062	1,062
Additions		4	50	-	54
As at 31 December 2018		335	488	1,062	1,885
Accumulated depreciation					
As at 1 January 2018		35	308	-	343
Depreciation	4	30	51	265	346
As at 31 December 2018		65	359	265	689
Net book value					
As at 31 December 2017		296	130	-	426
As at 31 December 2018		270	129	797	1,196

10. Deferred tax

Deferred tax is provided as follows:

	Note	£'000
Balance at 1 January 2017		3
Deferred tax credit	7	(1)
Balance at 1 January 2018		2
Deferred tax credit	7	(7)
At 31 December 2018		(5)

Changes to the UK corporate tax rates were enacted as part of Finance Act 2016 on 6 September 2016. This included reductions to the main rate to reduce the rate to 17% from 1 April 2020. As the Finance Act 2016 was substantively enacted by the balance sheet date the UK deferred tax balances have been revalued to these lower rates in the financial statements on the basis of when they are expected to reverse in the future. Deferred tax balances in other jurisdictions have been valued at future corporation tax rates substantively enacted by the balance sheet date in the respective jurisdictions, again on the basis of when they are expected to reverse in the future.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

11. Debtors: amounts falling due within one year

	2018	2017
	£'000	£'000
Trade debtors - net	4,028	4,915
Amounts owed by immediate parent entity	13	-
Amounts owed by other group entities	6,948	949
Prepayments and accrued income	1,648	1,277
Other debtors	117	132
	12,754	7,273

The amounts owed by fellow group undertakings are repayable on demand and are not subject to interest in either year.

Debtors disclosed above include amounts which are past due at the reporting date but against which the company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Moveiment in allowance for doubtful debtors:

	2018	2017
	£'000	£'000
Brought forward provision	113	58
Provision (release)/accrual	(68)	62
Amounts written off in the year as uncollectable	(5)	(7)
Balance at the end of the year	40	113

These balances are held against debtors.

12. Creditors: amounts falling due within one year

	Note	2018	2017
		£'000	£'000
Trade creditors		1,731	936
Accruals and deferred income		833	1,342
Amounts owed to immediate parent entity		5	-
Amounts owed to other group entities		1,982	1,373
Social security and other taxes		807	620
Lease liabilities	16	269	-
		5,627	4,271

The amounts owed to fellow group undertakings are repayable on demand and are not subject to interest charge in either year.

13. Provision for liabilities

	Dilapidations £'000
As at 1 January 2018	-
Amounts charged	57
At 31 December 2018	57

Provision has been made based upon the directors' best estimate of the costs which will be incurred in bringing group properties held under operating leases into an acceptable state as required at the end of the leases.

Based on the contract periods of current leases it is expected that the majority of this expenditure will incur within the next ten years.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

14. Other non-current liabilities

	Note	2018 £'000	2017 £'000
Lease liabilities	16	559	-
		559	-

15. Called up share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
200 Ordinary Shares of £1 each	200	200

There were no changes in share capital in either year.

16. Leases

During the year ended 31 December 2018 the company has chosen to early adopt IFRS 16 *Leases*. The accounting policies selected by the company when applying IFRS 16 are detailed in note 1. The company has adopted IFRS 16 from 1 January 2018 using a modified retrospective approach as permitted under the specific transition provisions in the standard. Comparatives for the 2017 financial year have therefore not been restated. The company has recognised the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings.

The company as lessee

The company recognises right-of-use assets under lease agreements in which it is the lessee. The underlying assets mainly include property, plant and equipment. The right-of-use assets comprise the initial measurement of the corresponding lease liability and payments made at or before the commencement day as well as any initial direct costs. Furthermore, lease incentives are recognised separately and amortised during the lease term. The corresponding lease liability is included in balance sheet as a lease liability.

The right-of-use asset will be depreciated over the lease-term and if necessary adjusted in accordance with applicable standards. In the year, the company made an adjustment for re-measurement of the lease liability and of the right-of-use-asset. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (application of the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised in measuring the lease liability. The aggregate benefit of incentives is recognised on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

On initial application of IFRS 16, the company has recognised lease liabilities for leases previously classified as operating leases when applying IAS 17 *Leases*, measuring the lease liability at the present value of the remaining lease payments, discounted using the company's incremental cost of borrowing. The incremental borrowing rate applied to the lease liabilities on 1 January 2018 was 5%.

Right-of-use assets have also been recognised for leases previously classified as an operating lease, measuring the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment relating to that recognised in the balance sheet as at 31 December 2017. There was no change to reserves as at 1 January 2018. The company has not entered into any finance lease contracts, therefore no leases which were previously categorised as finance leases have been accounted under IFRS 16 at the point of initial application.

Lease assets and liabilities recognised represent contracts entered in to by the company for its office properties and IT equipment. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Extension and termination options are included in a number some leases within the company. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the company and not by the respective lessor.

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

16. Leases (continued)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or a termination option. Extension options or early termination options are only included in the assessment of the expected lease term if the lease is reasonably certain to be extended or terminated. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. The balance sheet and the profit and loss account show the following amounts in respect of leases during the year ended 31 December 2018.

Right-of-use assets

	Property £'000	IT equipment £'000	Total £'000
Cost			
As at 1 January 2018	1,048	14	1,062
As at 31 December 2018	1,048	14	1,062
Accumulated depreciation			
As at 1 January 2018	-	-	-
Charge for the year	260	5	265
As at 31 December 2018	260	5	265
Net book value			
As at 31 December 2018	788	9	797

Lease liabilities

	Property £'000	IT equipment £'000	Total £'000
Recognised on adoption of IFRS 16	1,048	14	1,062
Interest expense on lease liabilities	49	1	50
Lease payments	(279)	(5)	(284)
At 31 December 2018	818	10	828

Profit and loss

	2018 £'000
Interest expense	50

Maturity analysis of lease liability

	Property £'000	IT equipment £'000	Total £'000
Current	264	5	269
Within one to five years	554	5	559
At 31 December 2018	818	10	828

The total cash outflow in the year paid in respect of leases was £0.3m.

17. Guarantees

The company and group has provided to HSBC Bank plc as Agent and HSBC Corporate Trustee Company (UK) Ltd as Security Agent an "all assets debenture", which includes cross guarantees and provides a fixed charge over the assets of the company and group. The total loan covered by this guarantee is £182,444,000 (2017: £198,040,000).

Maxxima Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

18. Related party transactions

During the year, the company has not entered into any transactions with related parties who are not members of the group.

The company has taken advantage of the exemption in IAS 24 "related parties" for UK companies applying FRS 101 'Reduced Disclosure Framework' not to disclose transactions with other group companies.

19. Ultimate parent company and controlling party

The immediate parent company and controlling party is ICSG Limited, a company registered in England and Wales. The ultimate parent undertaking is Indigo Cayman Limited Partnership, registered in the Cayman Islands. The ultimate controlling parties of the company are funds advised by affiliates of Towerbrook Capital Partners, a transatlantic advisory and investment firm.

The smallest group in which the company's results are consolidated is Indigo Parent Limited, with the registered address of Caledonia House, 223 Pentonville Road, London, England, N1 9NG. Its consolidated IFRS financial statements are available to the public from Companies House. The largest group in which the company's results are consolidated is Indigo Holdings Coöperatief U.A, registered in the Netherlands.