

Company registration number: 04493101

# ACADEMICS LIMITED

## Report and Financial Statements

For the year ended 30 September 2012



## **Academics Limited**

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## **Academics Limited**

### **Company information**

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**Company registration number**  
04493101

**Directors**

G Swaby  
A Church  
J Long  
D Wheeler

**Company Secretary and Registered Office**

S Shipley  
41 Whitcomb Street  
London, WC2H 7DT

**Auditor**

Baker Tilly UK Audit LLP  
25 Farringdon Street  
London, EC4A 4AB

**Bankers**

Royal Bank of Scotland  
Silbury House  
300 Silbury Boulevard  
Milton Keynes, MK9 2ZF

**Academics Limited**  
**Report of the directors**  
**For the year ended 30 September 2012**

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The directors present their report together with the audited financial statements for the year ended 30 September 2012

**Results and dividends**

The profit and loss account is set out on page 7 and shows the profit after taxation for the year of £891,987 (year ended 30 September 2011 £89,164)

The Company's turnover has continued to suffer in the difficult market conditions during the year which has resulted in a decrease from £8.2 million in 2011 to £7.1 million in 2012. Gross margins have shown a continued improvement from 36.9% to 39.0%.

No dividend was paid during the year (year ended 30 September 2011 £nil per ordinary share)

**Principal activities**

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

The immediate parent company and the ultimate holding company is Servoca Plc, a company listed on the Alternative Investment Market of the London Stock Exchange.

**Currency risk**

As the Company has no balances receivable or payable denominated in foreign currencies at the year end, there is no exposure to currency risk.

**Interest rate risk**

The only interest bearing borrowings that exist is an invoice discounting agreement that charges a variable rate of interest depending on the bank's base rate.

**Financial instruments**

The Company has no derivatives and does not trade in financial instruments.

**Future developments**

The Company will continue to operate as an education recruitment agency for the foreseeable future.

**Directors**

The directors of the Company who served during the year were as follows:

G Swaby  
A Church  
J Long (appointed 3 October 2011)  
E Jenkins (appointed 3 October 2011, resigned 31 August 2012)  
D Wheeler (appointed 3 October 2011)

**Academics Limited**  
**Report of the directors (continued)**  
**For the year ended 30 September 2012**

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**Third party indemnity provision for directors**

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

**Share capital**

On 3 October 2011, 20 B Ordinary shares of £1 each were issued for a consideration of £760 per share. Full details of the movement in share capital is disclosed in note 10 to the financial statements

**Subsequent events**

Details of subsequent events are shown in note 18 to the financial statements.

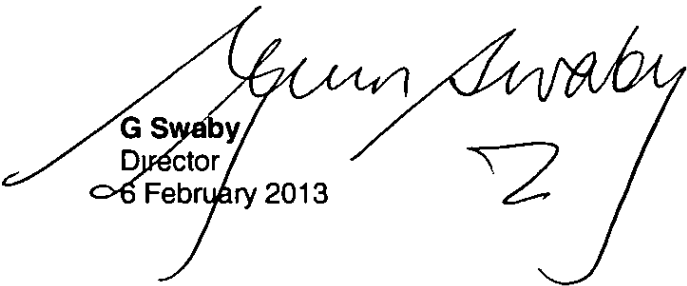
**Donations**

The Company made charitable donations in this year of £nil (year ended 30 September 2011: £nil)

**Disclosure of information to auditor**

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

On behalf of the Board



**G Swaby**  
Director  
6 February 2013

**Academics Limited**  
**Statement of directors' responsibilities**  
**For the year ended 30 September 2012**

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

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

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with 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.

**Academics Limited**  
**Independent auditor's report**  
**To the members of Academics Limited**

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We have audited the financial statements on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

**Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and to express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 September 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Academics Limited**  
**Independent auditor's report**  
**To the members of Academics Limited (*continued*)**

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**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Baker Tilly UK Audit LLP*

Euan Banks (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
8 February 2013



**Academics Limited**  
**Profit and loss account**  
**For the year ended 30 September 2012**

		Year ended 30 September 2012 £	Year ended 30 September 2011 £
	Note		
<b>Turnover</b>	2	<b>7,076,184</b>	8,189,125
Cost of sales		(4,316,153)	(5,171,355)
<b>Gross profit</b>		<b>2,760,031</b>	3,017,770
Administrative expenses		(1,859,021)	(2,914,267)
<b>Operating profit</b>	4	<b>901,010</b>	103,503
Interest payable and similar charges	5	(9,113)	(14,339)
<b>Profit on ordinary activities before taxation</b>		<b>891,897</b>	89,164
Taxation	6	-	-
<b>Profit on ordinary activities after taxation</b>	12	<b>891,897</b>	89,164

All amounts relate to continuing activities

There are no recognised gains or losses other than as shown in the profit and loss account above

The notes on pages 9 to 16 form part of these financial statements

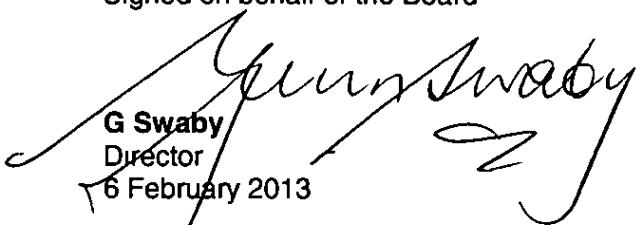
**Academics Limited**  
**Balance sheet**  
**At 30 September 2012**

**Company registration number: 04493101**

	Note	30 September 2012 £	30 September 2011 £
<b>Fixed assets</b>			
Tangible assets	7	104,464	26,960
<b>Current assets</b>			
Debtors - due in less than one year	8	1,170,695	1,194,389
- due in more than one year	8	4,835,247	3,722,536
Cash at bank and in hand		21,970	108,308
		6,027,912	5,025,233
<b>Creditors: amounts falling due within one year</b>	9	(1,086,717)	(917,510)
<b>Net current assets</b>		4,941,195	4,107,723
<b>Total assets less current liabilities</b>		5,045,659	4,134,683
<b>Creditors: amounts falling due after more than one year</b>			
Amounts due to group undertakings		(1,442,782)	(1,438,903)
<b>Net assets</b>		3,602,877	2,695,780
<b>Capital and reserves</b>			
Called up share capital	10	22	2
Share premium account	11	15,180	-
Profit and loss account	12	3,587,675	2,695,778
<b>Shareholders' funds</b>	13	3,602,877	2,695,780

The financial statements were approved by the Directors and authorised for issue on 2013

Signed on behalf of the Board

  
**G Swaby**  
 Director  
 6 February 2013

The notes on pages 9 to 16 form part of these financial statements

**Academics Limited**  
**Notes forming part of the financial statements**  
**For the year ended 30 September 2012**

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**1 Accounting policies**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied consistently during the year.

**Going concern**

The directors have prepared the financial statements on the going concern basis. The directors have reviewed future trading and cash flow forecasts and, based on these, are satisfied the Company can meet its future obligations as they fall due for the foreseeable future without the need for additional financing facilities.

**Turnover**

Turnover represents the total amount receivable for the provision of services to customers, net of Value Added Tax. Income from temporary placements is recognised at the end of a period of work. Income from permanent placements is recognised at the point of acceptance by both parties when the Company's contractual obligations have been fulfilled.

**Tangible fixed assets**

Fixed assets are stated at historical cost less accumulated depreciation. Depreciation is calculated at the following rates:

Fixtures and fittings	- 20% on net book value per annum
Computer equipment	- 33% on cost per annum
Leasehold improvements	- 33% on cost per annum

**Deferred taxation**

Deferred taxation balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of underlying timing differences.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Leases**

All leases are operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the lease term.

## **Academics Limited**

### **Notes forming part of the financial statements (*continued*)**

**For the year ended 30 September 2012**

#### **1 Accounting policies (*continued*)**

##### **Share-based payments**

Where the Company has awarded equity settled share options to employees, the fair value of the options at the date of the grant is charged to profit or loss over the vesting period. Non-market conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, any increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit or loss over the remaining vesting period.

The share based payment charge relating to employees of the entity has been recognised in the parent company and not re-charged to the Company as it is considered to be immaterial.

#### **2 Turnover**

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

#### **3 Employees**

	Year ended 30 September 2012 £	Year ended 30 September 2011 £
Staff costs, including executive directors, consist of		
Wages and salaries	1,125,330	1,220,029
Social security costs	120,426	130,075
	<b>1,245,756</b>	<b>1,350,104</b>
Directors who served during the year	Year ended 30 September 2012 £	Year ended 30 September 2011 £
Directors' emoluments and other benefits	<b>208,130</b>	-

## Academics Limited

### Notes forming part of the financial statements *(continued)*

For the year ended 30 September 2012

#### 3 Employees (continued)

Directors' remuneration does not include the remuneration of A Church and G Swaby, who are directors of the parent company, Servoca Plc. Full disclosure of their remuneration is included in the consolidated financial statements of the parent company. It is not practical to separately identify the amount of their remuneration that relates to this Company.

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

	Number	Number
Sales	17	17
Administration	8	8
	25	25

#### 4 Operating profit

	Year ended 30 September 2012 £	Year ended 30 September 2011 £
Operating profit is stated after charging		
Depreciation owned assets	16,075	9,587
Operating lease rentals	49,950	49,950
Auditor's remuneration		
Audit of the financial statements	9,000	9,000
Non audit services relating to taxation	1,000	1,000

#### 5 Interest payable and similar charges

	Year ended 30 September 2012 £	Year ended 30 September 2011 £
Interest on discounted debts	9,113	14,287
Other interest	-	52
	9,113	14,339

**Academics Limited****Notes forming part of the financial statements (continued)****For the year ended 30 September 2012****6 Taxation on profit on ordinary activities**

	Year ended 30 September 2012 £	Year ended 30 September 2011 £
<b>(a) Analysis of charge for the year:</b>		
<b>Current tax</b>		
UK corporation tax	-	-
Adjustments in respect of prior periods	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	-
<b>Tax on profit on ordinary activities</b>	-	-
<b>(b) Factors affecting the current tax charge for the year:</b>		
Profit on ordinary activities before taxation	<b>891,897</b>	89,164
Profit on ordinary activities multiplied by the average rate of corporation tax in the UK of 25% (30 September 2011 27%)	<b>222,974</b>	24,074
Depreciation in excess of capital allowances	<b>1,184</b>	1,084
Short term timing differences not provided for	<b>(3,093)</b>	-
Other (credits)/expenses not deductible for tax purposes	<b>1,456</b>	(4,407)
Group relief claimed for nil payment	<b>(222,521)</b>	(20,751)
<b>Current charge for the year</b>	-	-
<b>(c) Unrecognised deferred tax</b>		
The Company has the following unrecognised deferred tax assets at the balance sheet dates:		
<b>Decelerated capital allowances</b>	-	3,571

# Academics Limited

## Notes forming part of the financial statements (*continued*)

For the year ended 30 September 2012

### 7 Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 October 2011	25,737	60,373	41,506	127,616
Additions	2,885	3,250	87,444	93,579
<b>At 30 September 2012</b>	<b>28,622</b>	<b>63,623</b>	<b>128,950</b>	<b>221,195</b>
<b>Depreciation</b>				
At 1 October 2011	19,086	42,107	39,463	100,656
Charge for the year	4,737	3,924	7,414	16,075
<b>At 30 September 2012</b>	<b>23,823</b>	<b>46,031</b>	<b>46,877</b>	<b>116,731</b>
<b>Net book value</b>				
<b>At 30 September 2012</b>	<b>4,799</b>	<b>17,592</b>	<b>82,073</b>	<b>104,464</b>
At 30 September 2011	6,651	18,266	2,043	26,960

### 8 Debtors

	30 September 2012 £	30 September 2011 £
Amounts falling due in less than one year		
Trade debtors	971,571	947,268
Other debtors	11,751	22,573
Prepayments and accrued income	187,373	224,548
	<b>1,170,695</b>	<b>1,194,389</b>
Amounts falling due in more than one year		
Due from group undertakings	4,835,247	3,722,536
	<b>6,005,942</b>	<b>4,916,925</b>

# Academics Limited

## Notes forming part of the financial statements *(continued)*

For the year ended 30 September 2012

### 9 Creditors: amounts falling due within one year

	30 September 2012 £	30 September 2011 £
Invoice discounting facility	598,021	438,636
Trade creditors	85,087	67,897
Other taxes and social security	140,112	152,009
Other creditors	8,065	-
Accruals and deferred income	255,432	258,968
	<b>1,086,717</b>	<b>917,510</b>

Invoice discounting facilities of £598,021 (30 September 2011 £438,636) are secured by a charge over the Company's book debts. Interest during the year is payable on these instruments at varying rates above the bank's rate base. There is a cross company guarantee in place in relation to the invoice discounting facilities for all the trading Servoca Plc subsidiary companies. The total group liability at 30 September 2012 in respect of invoice discounting facilities, including the amount above, was £3,496,000 (2011 £3,145,000).

The Company is part of a group VAT registration and the total group liability at 30 September 2012 was £395,000 (2011 £342,000).

### 10 Called up share capital

	30 September 2012 Number	30 September 2012 £	30 September 2011 Number	30 September 2011 £
Allotted, issued and fully paid				
Ordinary A shares of £1 each	2	2	2	2
Ordinary B shares of £1 each	20	20	-	-
	<b>22</b>	<b>22</b>	<b>2</b>	<b>2</b>

On 3 October 2011, 20 B Ordinary shares of £1 each were issued for a consideration of £760 per share. These shares were issued as part of the Group's management incentive plans. The B shares have no entitlement to receive notice of, attend, speak or vote at general meetings of the Company or receive dividends or distributions out of the Company. They entitle the holders to the rewards and benefits specified in the rules of the Servoca Management Equity Incentive Plan only.



**Academics Limited**  
**Notes forming part of the financial statements (*continued*)**  
**For the year ended 30 September 2012**

**11 Share premium account**

	Year ended 30 September 2012 £
<b>Arising on shares issued during the year (note 10) and at end of year</b>	<b>15,180</b>

**12 Profit and loss account**

	Year ended 30 September 2012 £	Year ended 30 September 2011 £
At beginning of year	2,695,778	2,606,614
Profit for the year	891,897	89,164
<b>At end of year</b>	<b>3,587,675</b>	<b>2,695,778</b>

**13 Reconciliation of movements in shareholders' funds**

	Year ended 30 September 2012 £	Year ended 30 September 2011 £
Profit for the year	891,897	89,164
Shares issued during the year	15,200	-
Opening shareholders' funds	2,695,780	2,606,616
<b>Closing shareholders' funds</b>	<b>3,602,877</b>	<b>2,695,780</b>

**14 Annual commitments under operating leases**

	30 September 2012 Land and buildings £	30 September 2011 Land and buildings £
Operating lease which expire		
In more than one year but not more than two years	49,950	-
In more than two years but not more than five years	-	49,950
	<b>49,950</b>	<b>49,950</b>

## **Academics Limited**

### **Notes forming part of the financial statements (*continued*)**

**For the year ended 30 September 2012**

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#### **15 Parent company and controlling party**

The immediate and ultimate controlling party and parent company is Servoca Plc, a company registered in England and Wales. Servoca Plc is listed on the Alternative Investment Market of the London Stock Exchange. Servoca Plc is the only undertaking preparing consolidated financial statements that incorporate the results of the Company. Copies of Servoca Plc's Group financial statements may be obtained from 41 Whitcomb Street, London WC2H 7DT.

#### **16 Cash flow statement**

The Company has taken advantage of the exemption under *Financial Reporting Standard 1 (Revised 1996), "Cash Flow Statements"*, not to prepare a cash flow statement as the Company is included in the publicly available group financial statements of Servoca Plc.

#### **17 Related party transactions**

The Company has taken advantage of the exemption available under *Financial Reporting Standard 8 "Related Party Transactions"* not to disclose transactions with members of the group headed up by Servoca Plc on the grounds that 100% of the voting rights in the Company are controlled within the group and the Company is included in consolidated financial statements.

#### **18 Subsequent events**

On 1 October 2012, the trade and assets of a fellow subsidiary company, Servoca Education Resourcing Limited, were transferred to the Company at book value.