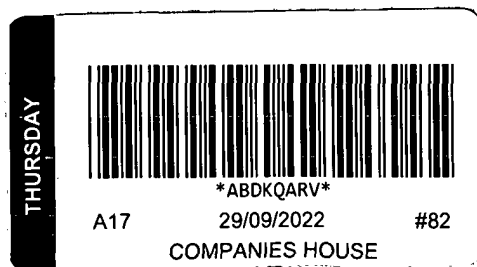


Registration number: 02958423

**Tenet Financial Services Limited**  
**Annual Report and Financial Statements**  
**For the Year Ended 30 September 2021**



# Tenet Financial Services Limited

## Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Independent Auditor's Report	5
Income Statement	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

# Tenet Financial Services Limited

## Company Information

### **Directors**

H M Ball  
S M Jones  
M W Scanlon  
M K Tyler

### **Company secretary**

R J Fletcher

### **Registered office**

5 Lister Hill  
Horsforth  
Leeds  
LS18 5AZ

### **Solicitors**

Addleshaw Goddard LLP  
Milton Gate  
60 Chiswell Street  
London  
EC1Y 4AG

### **Bankers**

Lloyds Bank PLC  
1 Lovell Park Road  
Leeds  
LS2 8DA

### **Auditors**

Deloitte LLP  
1 City Square  
Leeds  
LS1 2AL

**Tenet Financial Services Limited**  
**Strategic Report for the Year Ended 30 September 2021**

The directors present their strategic report for the year ended 30 September 2021.

**Review of the business**

The Company's principal activity is the provision of financial advice in respect of employee benefits consultation and provision of financial advice in respect of and the distribution of regulated pension, insurance, investment and mortgage products as an Appointed Representative (AR) of TenetConnect Services Limited and TenetConnect Limited. There have not been any significant changes in the Company's principal activities in the year under review.

As shown in the Company's income statement the Company shows a loss before tax for the year of £33k (2020: profit £87k). The statement of financial position shows the Company's financial position at the year end. The net assets have decreased by £33k to £338k (2020: £371k).

Note 2 includes details of key assumptions used in the preparation of the Company's financial statements. There have been no significant events since the balance sheet date.

On 17 January 2022 the entire share capital was transferred to Tenet Limited, another group company.

On 01 October 2020, the trade and assets of another group company was hived over. The directors are not aware, at the date of this report, of any other likely major changes in the Company's activities in the next year.

The directors are satisfied with the results for the year and expect the general level of activity in the forthcoming year to reflect market conditions. The Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

**Principal risks and uncertainties**


The business is active in the sale of regulated financial products and advises customers as to their appropriateness. As a consequence, the Company's activities are regulated which gives rise to a number of risks, including censure by the FCA. Such risks may manifest themselves financially through redress payable regarding the sale of financial products and fines imposed by the FCA for regulatory breaches. The Company operates a strict compliance regime, to mitigate such risks and has arranged professional indemnity insurance which conforms to the requirements of the FCA.

The business receives commission for the sale of financial products from life insurers and mortgage lenders. Some commission payments are received on an "indemnity" basis and may become repayable in the event that a policy is cancelled subsequent to its sale. Where such clawbacks of commission occur, the Company monitors such activity.

Competitive pressure is a continuing risk for the Company, which could result in it losing sales to its key competitors. The Company manages this risk by providing added value services to its clients, having fast response times not only in supplying products and services but in handling all client queries and by maintaining strong relationships with its clients.

Group risks are discussed in the ultimate parent undertaking's annual report and consolidated financial statements which does not form part of this report.

Approved by the Board on 28 September 2022 and signed on its behalf by:

A handwritten signature in black ink, consisting of a stylized 'M' and 'K' followed by a horizontal line and a loop, enclosed within an oval shape.

M K Tyler  
Director

## Tenet Financial Services Limited

### Directors' Report for the Year Ended 30 September 2021

The directors present their report and the financial statements for the year ended 30 September 2021.

#### **Directors of the Company**

The directors, who held office during the year and up to the date of this report, were as follows:

H M Ball  
K J Craig (resigned 30 July 2021)  
S M Jones (appointed 1 November 2020)  
M W Scanlon  
M K Tyler (appointed 22 September 2022)

#### **Dividends**

The directors do not recommend payment of a dividend (2020: £nil).

#### **Future developments and post balance sheet events**

On 17 January 2022 the entire share capital was transferred to Tenet Limited, another group company. At the date of this report, the directors are not aware of any likely major changes in the Company's activities in the next year.

#### **Directors' indemnities**

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the directors of the Company, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as directors of the Company.

#### **Going concern**

The Company holds large buffers for regulatory capital and cash. This is monitored on a monthly basis. However, the Company's forecasts and projections, including sensitivity analysis taking into account reasonably possible adverse changes in trading performance, show that the company should be able to operate successfully. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully in the present challenging economic environment.

The Company has an adequate level of financial resources, including £128k of cash at bank (2020: £27k) and total assets of £338k (2020: £371k), with no bank debt or other financial liabilities with any restrictive or financial covenants. It has long established relationships with a large number of financial advisory firms, product providers and suppliers across a diverse geographical area within the U.K, with no significant credit risk exposure to any single counterparty. The Company has secured the commitment from its ultimate parent undertaking to support the entity when required.

Taking these factors into account, and after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to trade successfully and fully comply with its regulatory requirements for 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Appointment of auditors**

The auditors Deloitte LLP have made the Company aware that they do not intend to continue in their role as auditors of the Company for the next financial year.

## Tenet Financial Services Limited

### Directors' Report for the Year Ended 30 September 2021 (continued)

#### **Statement of Director's Responsibilities**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the director must not approve the financial statements unless she is 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 director is required to:

- select suitable accounting policies and 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 director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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 corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 28 September 2022 and signed on its behalf by:



M K Tyler  
Director

# Independent Auditor's Report to the members of Tenet Financial Services Limited

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Tenet Financial Services Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its loss 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 income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 16.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Independent Auditor's Report to the members of Tenet Financial Services 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements and;
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Risk that revenue was not recognised in the correct accounting year. We tested the year-end pipeline receivable to post year-end receipt to ensure that the cut off and inclusion in the pipeline receivable was correct with revenue recognised in the correct period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.



## Independent Auditor's Report to the members of Tenet Financial Services Limited (continued)

### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the Financial Conduct Authority.

### **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.



Matthew Bainbridge FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds, United Kingdom  
28 September 2022

# Tenet Financial Services Limited

## Income Statement for the Year Ended 30 September 2021

	Note	2021 £	2020 £
Turnover	2	1,815,014	292,794
Cost of sales		(1,125,580)	(29,599)
Gross profit		689,434	263,195
Administrative expenses		(722,835)	(276,198)
Operating loss	4	(33,401)	(13,003)
Dividends received		-	100,000
Finance income		-	151
Finance cost		-	-
Net finance income		-	151
(Loss)/profit before tax		(33,401)	87,148
Income tax credit	7	464	1,931
(Loss)/profit for the year		(32,937)	89,079

The above results were derived from continuing operations. There was no recognised income and expenditure in the period other than the result for the year as shown above and consequently no statement of other comprehensive income has been presented.

The notes on pages 11 to 19 form an integral part of these financial statements.

Tenet Financial Services Limited  
Registration number: 02958423  
Statement of Financial Position as at 30 September 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Property, plant & equipment	8	-	-
Intangible assets	9	337,155	-
Investments	10	1,677,633	1,677,633
		<u>2,014,788</u>	<u>1,677,633</u>
<b>Current assets</b>			
Trade and other receivables	11	427,033	149,666
Cash at bank and in hand		128,384	27,178
		<u>555,417</u>	<u>176,844</u>
<b>Trade and other payables</b>	12	(2,232,024)	(1,483,359)
<b>Net current liabilities</b>		<u>(1,676,607)</u>	<u>(1,306,515)</u>
<b>Total assets less current liabilities</b>		<u>338,181</u>	<u>371,118</u>
<b>Net assets</b>		<u>338,181</u>	<u>371,118</u>
<b>Equity</b>			
Called up share capital	13	2,601	2,601
Share premium reserve		255,618	255,618
Capital redemption reserve		1,791	1,791
Capital contribution		1,645,038	1,645,038
Accumulated losses		<u>(1,566,867)</u>	<u>(1,533,930)</u>
<b>Total equity</b>		<u>338,181</u>	<u>371,118</u>

The notes on pages 11 to 19 form an integral part of these financial statements.

Approved by the board on 28 September 2022 and signed on its behalf by:



M K Tyler  
Director

Tenet Financial Services Limited

Statement of Changes in Equity for the Year Ended 30 September 2021

	<b>Share Capital £</b>	<b>Share Premium £</b>	<b>Capital Redemption Reserve £</b>	<b>Other Reserves £</b>	<b>Accumulated Losses £</b>	<b>Total £</b>
At 01 October 2020	2,601	255,618	1,791	1,645,038	(1,533,930)	371,118
Loss for the year	-	-	-	-	(32,937)	(32,937)
Total comprehensive expense	-	-	-	-	(32,937)	(32,937)
At 30 September 2021	2,601	255,618	1,791	1,645,038	(1,566,867)	338,181

	<b>Share Capital £</b>	<b>Share Premium £</b>	<b>Capital Redemption Reserve £</b>	<b>Other Reserves £</b>	<b>Accumulated Losses £</b>	<b>Total £</b>
At 01 October 2019	2,601	255,618	1,791	1,645,038	(1,623,009)	282,039
Profit for the year	-	-	-	-	89,079	89,079
Total comprehensive income	-	-	-	-	89,079	89,079
At 30 September 2020	2,601	255,618	1,791	1,645,038	(1,533,930)	371,118

The notes on pages 11 to 19 form an integral part of these financial statements.

# Tenet Financial Services Limited

## Notes to the Financial Statements for the Year Ended 30 September 2021

### 1. General information

The Company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is:

5 Lister Hill  
Horsforth  
Leeds  
LS18 5AZ

#### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 ("FRS 101") Reduced Disclosure Framework. The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

The financial statements have been prepared on the historic cost basis. The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to standards issued but not yet effective, financial instruments, presentation of a cash-flow statement and related party transactions. Where required, equivalent disclosures are given in the Group financial statements of Tenet Group Limited. The Group financial statements of Tenet Group Limited are available to the public. The Company has secured the commitment from its ultimate parent undertaking to support the entity when required.

As stated in the Directors' Report, after making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue trading successfully and fully comply with its regulatory requirements for the next 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

### 2. Accounting policies

#### **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **New accounting standards**

#### **New standards, amendments and improvements to IFRS applicable to the current accounting period**

There are no new accounting standards, amendments, or IFRS ICs which are expected to have an impact on the financial statements.

#### **New standards, amendments and improvements to IFRS, applicable to the next accounting period.**

There are no new accounting standards, amendments, or IFRS ICs which are expected to have an impact on the financial statements for the next accounting period.

## Tenet Financial Services Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

#### **2. Accounting policies (continued)**

##### **Revenue recognition**

All revenue relates to the principal activities described in the Strategic Report and arises in the United Kingdom.

Revenue is measured at the fair value of the consideration received or receivable and represents commissions and fees receivable, other amounts receivable from product providers and sales of services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Initial fee income is recognised once the performance obligation has been met, which is the provision of financial advice.

Renewal commissions are accounted for when received for those which have a servicing element. Fee income is recognised based on when the performance obligation is met and when there is likely to be no significant revenue reversal.

##### **Tax**

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax, including 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.

Deferred tax assets are only recognised when it is probable that the Company will be able to realise these benefits. Deferred tax liabilities are recognised when incurred. These are recognised at the substantially enacted tax rates.

##### **Business Combinations**

The cost of an acquisition is the cash paid together with the fair value of other assets given, equity instruments issued, and liabilities incurred or assumed.

Any deferred contingent consideration is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, are recognised either in the profit and loss account or in other comprehensive income. Any amounts payable by the Company directly contingent on the continuing employment of the vendors are treated as remuneration and recognised as an expense in the profit and loss account. Deferred and contingent consideration amounts payable after more than 12 months are discounted to present value.

##### **Intangible assets**

Intangible assets are stated at cost net of amortisation. Amortisation is provided at rates calculated to write off the costs of each asset over its estimated useful economic life, of between 7-14 years on a straight-line basis.

##### **Investments**

Investments are included at cost less amounts written off for permanent impairment. These are assessed for impairment on an annual basis. Profit on sale of subsidiaries are calculated based on the fair value of any deferred or contingent consideration and cash received on completion, less the value of the investment held.

## Tenet Financial Services Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

#### **2. Accounting policies (continued)**

##### **Property, plant and equipment**

Property, plant and equipment is stated at cost net of depreciation. Depreciation is provided at rates calculated to write off the cost, less the estimated residual value of each asset, on a straight-line basis over its estimated useful life of 5 years.

##### **Trade receivables**

Trade and other receivables are classified as financial assets measured at amortised cost. Under the IFRS 9 ECL model, a credit event (or impairment trigger) no longer needs to occur before credit losses are recognised. The Company analysed the risk profile of trade receivables based on past experience and an analysis of the receivables current financial position, potential for a default event to occur, adjusted for specific factors, general economic conditions of the industry in which the receivables operate and assessment of both the current and forecast direction of conditions at the reporting date. A default event is considered to occur when information is obtained that indicates a receivable is unlikely to settle their liability with the Company.

Credit risk is regularly reviewed by management to ensure the expected credit loss model (ECL) is being appropriately applied.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### **Trade payables**

Trade payables are other financial liabilities initially measured at fair value and subsequently measured at amortised cost.

##### **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.

The provisions were:

##### *Claims payable*

In the normal course of business, the Company receives queries and complaints regarding the sale of regulated financial products. Where appropriate these are investigated in accordance with the procedures of TenetConnect Services Limited or TenetConnect Limited. In some instances, compensation may be payable and such cases are settled by TenetConnect Services Limited or TenetConnect Limited through use of its Professional Indemnity insurance policy. TenetConnect Services Limited or TenetConnect Limited subsequently charges any other costs it incurs under its Professional Indemnity insurance policy excess to the Company. As a consequence, the Company only accounts for amounts it owes to TenetConnect Services Limited or TenetConnect Limited for claims payable.

##### **Financial liabilities**

##### ***Classification and measurement of financial assets and liabilities***

Classification of financial assets and liabilities are generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at amortised cost if it is held with the objective of collecting the contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. There are currently no other financial assets which are measured at fair value through other comprehensive income or profit or loss.

## Tenet Financial Services Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

#### 3. Critical accounting judgements

##### Critical judgements in applying the Company's accounting policies

The following are critical judgements and estimates that the Company has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### Contingent consideration payable

When calculating a purchase value of a target company or client banks, the structure of total consideration payable is an aggregate of initial and contingent consideration. A critical judgement exists on the treatment of the contingent consideration, on whether it represents post-completion remuneration to existing shareholders, or true consideration.

The judgement applied by is based off the interpretation of the guidance provided in IFRS 3 and the Company believes the total consideration represents true consideration for the acquisition, with no element attributable to post-completion shareholder remuneration.

##### Claims payable

In the normal course of business, the Company receive queries and complaints regarding the sale of financial products and/or financial advice. Where appropriate these are investigated, in some instances redress may be payable. Claims are reviewed on a regular basis through the Group Claims Committee. In some instances, compensation may be payable and such cases are settled by TenetConnect Services Limited or TenetConnect Limited through use of its Professional Indemnity insurance policy. TenetConnect Services Limited or TenetConnect Limited subsequently charges any other costs it incurs under its Professional Indemnity insurance policy excess to the Company. As a consequence, the Company only accounts for amounts it owes to TenetConnect Services Limited or TenetConnect Limited for claims payable.

#### 4. Operating profit/(loss)

Operating profit/(loss) on ordinary activities before taxation is stated after charging:

	2021	2020
	£	£
Auditor's remuneration	7,646	2,528

Audit fees for the Company are borne by Tenet Group Limited on behalf of all the Group companies, an allocation has been made, for disclosure purposes.



## Tenet Financial Services Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

#### 5. Staff costs

All staff utilised by the Company in the delivery of its services are employed by Tenet Group Limited. Tenet Group Limited is responsible for the payment of the remuneration of all Tenet Group Limited employees, including the directors of the Company, and it receives recompense from the Company in respect of this service through management recharges.

The amounts disclosed below relate to amounts which are incurred by the Company and have been recharged to the Company by Tenet Group Limited.

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	384,693	99,670
Social security costs	40,632	10,766
Pension costs, defined contribution scheme	23,091	5,351
	<u>448,416</u>	<u>115,787</u>

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Directors	4	2
Administration and consultancy	6	-
	<u>10</u>	<u>2</u>

#### 6. Directors' remuneration

The fees or emoluments of all directors were paid by Tenet Group Limited.

Two (2020: two) of the directors are executives of the ultimate parent undertaking, Tenet Group Limited, and their remuneration is disclosed within Tenet Group Limited consolidated accounts. The remaining director (2020: two) is also a director of other group companies. During the year, this director received £123,180 (2020: £nil) and £10,615 (2020: £nil) defined contribution pension benefit. No allocation between the services is made.

# Tenet Financial Services Limited

## Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

### 7. Income tax

Tax credited in the income statement

	2021 £	2020 £
<b>Current taxation</b>		
Deferred tax	(25)	-
UK corporation tax	(439)	(1,931)
Total tax credit	<u>(464)</u>	<u>(1,931)</u>

The tax on profit before tax for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19.0% (2020: 19.0%).

The differences are reconciled below:

	2021 £	2020 £
(Loss)/profit before tax	<u>(33,401)</u>	<u>87,148</u>
Corporation tax at standard rate	(6,346)	16,558
Adjustments for:		
-exempt dividend income from wholly owned subsidiary	-	(19,000)
-depreciation and assets subject to capital allowances written off	7,831	1,850
-capital allowances	(348)	(424)
-unwind of discount	10,332	-
-brought forward losses utilised	(11,469)	-
-group relief	-	1,016
Prior year adjustments	(439)	(1,755)
Deferred taxation movement	<u>(25)</u>	<u>(176)</u>
Total tax credit	<u>(464)</u>	<u>(1,931)</u>

Finance Act 2021, which was substantively enacted on 24 May 2021, includes a provision to increase corporation tax to 25% with effect from 1 April 2023. This rate increase has been applied to any timing differences expected to reverse on or after 1 April 2023.

### Deferred tax

The current deferred tax asset balance of £2k (2020: £2k at 19%) is in relation to capital allowances.

There are £652k (2020: £712k) of unused tax losses for which no deferred tax asset is recognised in the statement of financial position.

# Tenet Financial Services Limited

## Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

### 8. Property, plant and equipment

	Fixtures & Fittings £	Computer Equipment £	Total £
<b>Cost or valuation</b>			
At 01 October 2020	2,035	22,861	24,896
At 30 September 2021	2,035	22,861	24,896
<b>Depreciation</b>			
At 01 October 2020	2,035	22,861	24,896
At 30 September 2021	2,035	22,861	24,896
<b>Carrying amount</b>			
At 30 September 2021	-	-	-
At 30 September 2020	-	-	-

### 9. Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 01 October 2020	-	-
Transfer from another group company	337,155	337,155
At 30 September 2021	337,155	337,155
<b>Amortisation</b>		
At 01 October 2020	-	-
At 30 September 2021	-	-
<b>Carrying amount</b>		
At 30 September 2021	337,155	337,155
At 30 September 2020	-	-

On 1 October 2020, the Company acquired the trade and assets of Aspire Financial Management Limited, another Group company.

# Tenet Financial Services Limited

## Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

### 10. Investments

	2021 £	2020 £
Investment in subsidiaries at 01 October	1,677,633	1,663,745
Adjustments to acquisitions within 12-month period	-	13,888
At 30 September	<u>1,677,633</u>	<u>1,677,633</u>

### Subsidiary

Details of the subsidiary as at 30 September 2021:

Name of subsidiary	Principal activity	Country of incorporation	Proportion of ownership interest and voting rights held	
			2021	2020
Ask Financial Management Limited	Dormant	England and Wales	100%	100%

### 11. Trade and other receivables

	2021 £	2020 £
Trade receivables	245,257	180,400
Provision for impairment of trade receivables	<u>(32,665)</u>	<u>(32,665)</u>
Net trade receivables	212,592	147,735
Amounts due from related parties	159,957	-
Other debtors	52,527	-
Deferred tax asset	<u>1,957</u>	<u>1,931</u>
	<u>427,033</u>	<u>149,666</u>

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

### 12. Trade and other payables

	2021 £	2020 £
Accrued expenses	124,147	-
Amounts due to related parties	1,529,142	931,114
Deferred income	-	128,953
Other payables	563,424	423,292
Taxation	<u>15,311</u>	<u>-</u>
	<u>2,232,024</u>	<u>1,483,359</u>

The directors consider that the carrying amount of trade and other payables approximates their fair value. Amounts due to related parties are repayable on demand.

## Tenet Financial Services Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021 (continued)

#### 13. Share capital

##### Allotted, called up and fully paid shares

		2021		2020
	No.	£	No.	£
Ordinary Shares of £1 each	2,601	2,601	2,601	2,601

#### 14. Related party transactions

##### Summary of transactions with parent entities

As a wholly owned subsidiary, the Company has taken advantage of the exemption in FRS 101 "Related Party Transactions" from disclosing related party transactions with other entities included in the consolidated financial statements of Tenet Group Limited.

#### 15. Parent and ultimate parent undertaking

The Company is a wholly owned subsidiary of Tenet Client Services Limited, a company incorporated in England and Wales. The directors consider that Tenet Group Limited, also a company incorporated in England and Wales, is the Company's ultimate parent undertaking and controlling party.

Tenet Group Limited is the smallest and largest group in which the results of the Company are consolidated. Copies of the financial statements of Tenet Group Limited are available from 5 Lister Hill, Horsforth, Leeds, LS18 5AZ.

#### 16. Events after the balance sheet date

On 17 January 2022 the entire share capital was transferred to Tenet Limited, another group company.