

TENET CLIENT SERVICES LIMITED

**Annual Report and Unaudited Financial
Statements**

For the year ending 30 September 2016

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TENET CLIENT SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

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TENET CLIENT SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

C J Bradley
M J O'Brien

COMPANY SECRETARY

R J Fletcher

REGISTERED OFFICE

5 Lister Hill
Horsforth
Leeds
West Yorkshire
United Kingdom
LS18 5AZ

BANKERS

Lloyds Bank PLC
2nd Floor
116 Wellington Street
Leeds
LS1 4LT

SOLICITORS

Eversheds LLP
Bridgewater Place
Water Lane
Leeds
LS11 5DR

TENET CLIENT SERVICES LIMITED

STRATEGIC REPORT

REVIEW OF THE BUSINESS

Tenet Client Services Limited ("the company") is a wholly owned subsidiary of Tenet Group Limited.

The company's principal activity is that of an intermediate holding company. There has not been any significant changes in the company's principal activity in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the income statement on page 6 the company has made a loss attributable to the shareholders for the year of £72,026 (2015: profit of £78,157) as a result of the taxation charge relating to group relief.

The balance sheet on page 7 shows net assets of £2.1m (2015: £2.2m) and details of amounts owed to and from Tenet Group Limited and its subsidiaries (together "the Group") are shown in Notes 9 and 10.

Other information regarding the performance of the company's investments is shown in the Report and Accounts of its subsidiaries which do not form part of this report.

Note 2 includes details of key assumptions used in the preparation of the company's financial statements. Note 3 detail the principal risks and uncertainties facing the company. There have been no significant events since the balance sheet date.

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.

The directors are satisfied with the results for the year and believe that they reflect market conditions for the year.

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



C J Bradley

Director

26th June 2017

TENET CLIENT SERVICES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the unaudited financial statements for the year ended 30 September 2016.

RESULTS AND PROPOSED DIVIDENDS

The results for the year are dealt with in the income statement on page 6.

The directors do not recommend payment of a dividend (2015: £nil).

ENVIRONMENT

The company operates in accordance with the policies of the Group, which are described in the Group's Annual Report which does not form part of this Report.

DIRECTORS' INDEMNITIES

As at the date of this report, it is Group policy to provide the directors of Group companies with indemnities as disclosed in the financial statements of Tenet Group Limited.

DIRECTORS

The directors who served during the year and subsequently were as follows:

C J Bradley

G M Davidson – resigned 13th December 2016

M J O'Brien

TENET CLIENT SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

GOING CONCERN

As highlighted in the Group's Annual Report, the current economic conditions create uncertainty in respect of the level of demand for financial services products provided by the company's subsidiaries. Some of the subsidiary companies are expected to face challenges for the foreseeable future and may require additional capital support. However, based on current projections the directors remain confident of the company's future due to the potential for growth, particularly in Sinfonia Asset Management Limited and Aspire Financial Management Limited, which provide the prospects of future dividend income for the company.

The company's forecasts and projections, including sensitivity analysis taking into account reasonably possible adverse changes in its business and the trading performance of its subsidiaries, show that the company should continue to trade profitably and enjoy positive cashflows in future years. 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, with no bank debt or other financial liabilities with any restrictive or financial covenants. The company has no credit risk exposure to any single counterparty. The company also enjoys the continuing support of its ultimate parent undertaking, including the loan facility made available to it.

As stated in Note 2, 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 the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

For the year ended 30 September 2016 the company was entitled to exemption under section 479a of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

In line with the criteria relating to this legislation, the Group's financial statements, which includes the consolidation of this company and its subsidiaries, have been audited.

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



C J Bradley
Director
26th June 2017

TENET CLIENT SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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 International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

TENET CLIENT SERVICES LIMITED

INCOME STATEMENT

For the year ended 30 September 2016

	Note	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Operating expenses		-	(100)
OPERATING LOSS		-	(100)
Interest receivable	5	3,906	3,906
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	3,906	3,806
Taxation	7	(75,932)	74,351
(LOSS)/PROFIT ATTRIBUTABLE TO THE EQUITY SHAREHOLDER OF THE COMPANY		<u>(72,026)</u>	<u>78,157</u>

There was no recognised income and expenditure in the current or preceding years other than the (loss)/profit for the year as shown above and consequently no statement of comprehensive income has been presented.

All amounts relate to continuing operations.

The accompanying notes form an integral part of these financial statements.

TENET CLIENT SERVICES LIMITED

BALANCE SHEET

As at 30 September 2016

	Note	30 September 2016 £	30 September 2015 £
NON-CURRENT ASSETS			
Investments	8	2,506,856	2,506,856
		<u>2,506,856</u>	<u>2,506,856</u>
CURRENT ASSETS			
Trade and other receivables	9	143,672	139,766
		<u>143,672</u>	<u>139,766</u>
CURRENT LIABILITIES			
Trade and other payables	10	(481,891)	(405,959)
		<u>(481,891)</u>	<u>(405,959)</u>
NET CURRENT LIABILITIES			
		<u>(481,891)</u>	<u>(405,959)</u>
NET ASSETS		<u>2,168,637</u>	<u>2,240,663</u>
EQUITY			
Equity Shareholder's funds			
Called-up share capital	11	1,000,001	1,000,001
Retained earnings		<u>1,168,636</u>	<u>1,240,662</u>
TOTAL EQUITY		<u>2,168,637</u>	<u>2,240,663</u>

The accompanying notes form an integral part of this financial statement.


For the year ended 30 September 2016 the company was entitled to exemption under section 479a of the Companies Act 2006.

No members have required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 26th June 2017.

Signed on behalf of the Board of Directors by:


C J Bradley
Director

Company Registration Number 03307674

The accompanying notes form an integral part of these financial statements.

TENET CLIENT SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

Equity attributable to the equity shareholder of the company

	Share Capital £	Retained Earnings £	Total Equity £
Balance at 1 October 2015	1,000,001	1,240,662	2,240,663
Loss for the financial year	0	(72,026)	(72,026)
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2016	<u>1,000,001</u>	<u>1,168,636</u>	<u>2,168,637</u>
	<hr/>	<hr/>	<hr/>
Balance at 1 October 2014	1,000,001	1,162,505	2,162,506
Profit for the financial year	0	78,157	78,157
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2015	<u>1,000,001</u>	<u>1,240,662</u>	<u>2,240,663</u>
	<hr/>	<hr/>	<hr/>

TENET CLIENT SERVICES LIMITED

CASH FLOW STATEMENT

For the year ended 30 September 2016

	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Cash flows from operating activities		
(Loss)/profit on ordinary activities after taxation for the financial year	(72,026)	78,157
Adjustments for:		
Interest receivable	(3,906)	(3,906)
Operating cashflows before movements in working capital	(3,906)	(3,906)
Increase in trade and other receivables	(3,906)	(3,906)
Decrease/(increase) in trade and other payables	75,932	(54,251)
Net cash generated by operating activities	(3,906)	16,094
Investing activities:		
Interest received	3,906	3,906
Net cash generated by investing activities	3,906	3,906
Financing activities:		
Shares purchased	-	(20,000)
Net cash used in financing activities	-	(20,000)
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of financial year	-	-
Cash and cash equivalents at end of financial year	-	-

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

TENET CLIENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

1 GENERAL INFORMATION

Tenet Client Services Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic Report on page 2.

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:

<i>IAS 16</i>	<i>Amendments to IAS 16 – Agriculture: Bearer Plants, Clarification of Acceptable Methods of Depreciation and Amortisation</i>
<i>IAS 41</i>	<i>Amendments to IAS 41 – Agriculture: Bearer Plants</i>
<i>IAS 19</i>	<i>Amendments to IAS 19 – Defined Benefit plans: Employee Contributions</i>
<i>IAS 27</i>	<i>Amendments to IAS 27 – Equity Method in Separate Financial Statements</i>
<i>IAS 28</i>	<i>Amendments to IAS 28 – Sales or Contribution of Assets between investor and its Associate or Joint Venture</i>
<i>IAS 38</i>	<i>Amendments to IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation</i>
<i>IFRS 9</i>	<i>Financial Instruments</i>
<i>IFRS 10</i>	<i>Amendments to IFRS 10 – Sales or Contribution of Assets between investor and its Associate or Joint Venture</i>
<i>IFRS 11</i>	<i>Amendments to IFRS 11 – Accounting for Acquisitions of interests in Joint Operations</i>
<i>IFRS 15</i>	<i>Revenue from Contracts with Customers</i>
<i>IFRS 14</i>	<i>Regulatory Deferral Accounts</i>
<i>Annual Improvements 2010 – 12, 2011 – 13, 2012 – 14 Cycles</i>	

The company has not elected to adopt these changes early in these financial statements. The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the company.

2 ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared in accordance with applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union and therefore the company financial statements comply with Article 4 of the EU IAS Regulation.

Results for the comparative year have been prepared on the same basis as the 2016 results.

As stated in the Directors' Report, 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 the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by Section 401 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking of Tenet Group Limited, a company incorporated in the United Kingdom, and is included in the consolidated accounts of that company.

Investments

Investments are included at cost less amounts written off for permanent impairment.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method where the effect is material.

TENET CLIENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 September 2016

2 ACCOUNTING POLICIES (CONTINUED)

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Unless the effect of discounting is material, deferred tax is measured on a non-discounted basis.

3 PRINCIPAL RISKS AND UNCERTAINTIES

The business activity of the company is to act as an intermediate holding company and it is dependent upon receiving dividend income from its investments. The risks faced by the company's subsidiaries are discussed in the accounts of these companies. Group risks are discussed in the ultimate parent undertaking's Annual Report which does not form part of this report.

4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

All staff utilised by the company and its subsidiaries in the delivery of their services are employed by Tenet Group Limited. Tenet Business Solutions Limited is responsible for the payment of the remuneration of all Tenet Group Limited employees, including the directors of the company and the directors of its subsidiaries, and it receives recompense from the company and its subsidiaries in respect of this service through management recharges which are allocated on a time incurred basis.

Such recharges for the remuneration of the directors in respect of the company and its subsidiaries during the year were £164,914 (2015: £141,601).

Such recharges for the remuneration of the directors in respect of the company during the year were £nil (2015: £nil). Additional emoluments paid to the directors of the company during the year were £nil (2015: £nil).

The highest paid director is a director of more than one company in the group, whose total emoluments as described above are distributed within the group.

	Year ended 30 September 2016 No.	Year ended 30 September 2015 No.
Average number of persons employed (including directors)		
Directors	3	3

TENET CLIENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 September 2016

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Loan interest	3,906	3,906
	<u>3,906</u>	<u>3,906</u>

6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging.

	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Stamp Duty	-	100
	<u>-</u>	<u>100</u>

No audit fees have been charged during the year (2015: £nil) as the financial statements for the year ended 30 September 2016 are not audited.

7 TAXATION

	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Analysis of charge in year at 20% (20.5% in 2015)		
Current tax at 20% (20.5% in 2015)	781	801
Adjustment in respect of prior year	75,151	(75,152)
Taxation on ordinary activities	<u>75,932</u>	<u>(74,351)</u>
Factors affecting tax on profit on ordinary activities in year		
Profit on ordinary activities before tax	<u>3,906</u>	<u>3,806</u>
Tax on profit on ordinary activities at UK standard rate of 20% (20.5% in 2015)	781	780
Effects of:		
Adjustment in respect of prior year	75,151	(75,152)
Expenses not deductible for tax purposes	-	21
Tax charge/(credit) on ordinary activities for year	<u>75,932</u>	<u>(74,351)</u>

TENET CLIENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 September 2016

7 TAXATION (CONTINUED)

Corporation tax is calculated at 20% (20.5% in 2015) of the estimated taxable profit for the year.

Finance Act No2 2015, which was substantively enacted on 26 October 2015, includes further provisions to reduce the corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. As the enabling legislation has not been substantively enacted at the balance sheet date, these rates do not apply to the deferred tax position at 30 September 2015.

Finance Act 2013 was substantively enacted on 2 July 2013 and provided for a reduction in the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and by a further 1% to 20% from 1 April 2015. Accordingly both of these rate reductions have been reflected in the financial statements.

8 FIXED ASSET INVESTMENTS

Cost	£
At 1 October 2015	3,283,516
At 30 September 2016	<u>3,283,516</u>
Impairment	
At 1 October 2015	776,660
Charge for the year	-
At 30 September 2016	<u>776,660</u>
Net Book Value	
At 30 September 2016	<u>2,506,856</u>
At 30 September 2015	<u>2,506,856</u>

The companies in which the company's direct interest at the yearend is more than 20% are as follows:

TENET CLIENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 September 2016

8 FIXED ASSET INVESTMENTS

Name	Country of incorporation	Principal activity	Holding
Aspire Financial Management Limited	England and Wales	Sale of financial products	100%
Paragon Insurance Company Guernsey Limited	Guernsey (C.I.)	Insurance company	100%
Sinfonia Asset Management Limited	England and Wales	Administration & marketing services	100%
Living In Retirement Limited	England and Wales	Dormant	100%
Tenet Financial Solutions Limited	England and Wales	Sale of financial products	100%
The Employee Benefits Corporation Limited	England and Wales	Sale of financial products	71%

The company owns the controlling share of issued share capital of all direct subsidiaries:

Name	Class	Number Held
Aspire Financial Management Limited	Ordinary of £1 each	1
Paragon Insurance Company Guernsey Limited	Ordinary of £1 each (partly paid at £0.55 each)	4,000,000
Sinfonia Asset Management Limited	Ordinary of £0.0001 each	510,000,000
Living In Retirement Limited	Ordinary of £1 each	200,002
Tenet Financial Solutions Limited	Ordinary of £1 each	650,000
The Employee Benefits Corporation Limited	Redeemable Ordinary of £1 each and Ordinary of £1 each	1,700 148

9 TRADE AND OTHER RECEIVABLES

	30 September 2016 £	30 September 2015 £
Due within one year		
Amounts owed from group companies	143,672	139,766
	<u>143,672</u>	<u>139,766</u>

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

10 TRADE AND OTHER PAYABLES

	30 September 2016 £	30 September 2015 £
Amounts owed to group companies	481,891	405,959
	<u>481,891</u>	<u>405,959</u>

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

TENET CLIENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 September 2016

11 SHARE CAPITAL

	30 September 2016 £	30 September 2015 £
Authorised		
4,200,002 (2015: 4,200,002) Ordinary shares of £1 each	4,200,002	4,200,002
Allotted, called-up and fully paid		
1,000,001 (2015: 1,000,001) Ordinary shares of £1 each	1,000,001	1,000,001

12 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Tenet Group Limited, a company incorporated in England and Wales. The directors consider that Tenet Group Limited 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 accounts of Tenet Group Limited are available from 5 Lister Hill, Horsforth, Leeds, LS18 5AZ.

13 TRANSACTIONS WITH RELATED PARTIES

There were no related party transactions during the year other than movements in balances between the company and Tenet Group Limited and/or its wholly owned subsidiaries as follows:

Transactions with Tenet Group Limited ("ultimate parent")	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Net amounts owed to ultimate parent at start of financial year	(402,028)	(381,928)
Receipts from ultimate parent	-	(20,100)
Payments to ultimate parent	-	-
Net amounts owed to ultimate parent at end of financial year	(402,028)	(402,028)
Transactions with subsidiaries of Tenet Group Limited ("Group Companies")	Year ended 30 September 2016 £	Year ended 30 September 2015 £
Net amounts owed by Group Companies at start of financial year	135,835	57,578
Receipts from Group Companies	(75,932)	(801)
Payments to Group Companies	3,906	79,058
Net amounts owed by Group Companies at end of financial year	63,809	135,835

Transactions with key management personnel are administered by another group company (see Note 4).

TENET CLIENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 September 2016

14 FINANCIAL INSTRUMENTS

Capital Risk Management

The board reviews the company's capital position on a monthly basis taking into account the regulatory and operational requirements of the company. The board also reviews each of its subsidiary company's capital position on a monthly basis taking into account each company's operational requirements.

Based on this review, the board balances its capital structure through the payment of dividends to or a request for funding from its parent company and the receipt of dividends from and the investment in, or loans made to, subsidiary companies.

The company's capital strategy remains unchanged from 2015.

Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

The company's financial instruments are categorised in the table below:

	30 September 2016 £	30 September 2015 £
Financial Assets		
Loans and receivables from group companies	143,672	139,766
	<u>143,672</u>	<u>139,766</u>
Financial Liabilities		
Loans and amounts owed to group companies	481,891	405,959
	<u>481,891</u>	<u>405,959</u>

Financial Assets equate to fair value as at 30th September 2016.

Credit Risk

Credit risk is the risk of loss if another party fails to perform its obligations or fails to perform them in a timely fashion. The Group's credit risk is primarily attributable to its cash balances.

The maximum exposure of the company to credit risk at the reporting date was £143,672 (2015: £139,766). These balances are comprised entirely of financial assets.

Market Risk

Market risk is the risk that arises from adverse movements in equity, bond, interest rate, foreign exchange or other traded markets. The company's exposure to market risk arises solely in relation to interest rate fluctuations on the returns from its capital which is not hedged. The company's treasury policy is to maximise credit interest whilst maintaining sufficient liquidity in order to meet operational requirements.

The interest rate sensitivity analysis below is based upon reasonably possible changes in interest rate scenarios. At the reporting date a 0.50% increase or decrease in interest rates compared to actual rates would increase/(decrease) the annual net interest receivable by the following amounts:

TENET CLIENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 September 2016

14 FINANCIAL INSTRUMENTS (CONTINUED)

	30 September 2016 £	30 September 2015 £
0.50% increase	718	699
0.50% decrease	(718)	(699)

Cash and cash equivalents receive variable interest and all other financial liabilities are interest free.

Liquidity Risk

Liquidity risk is the risk of not being able to meet liabilities as they fall due. The company is capitalised at a level required to meet its business needs or alternatively, where required, has borrowing facilities available from its parent company. Responsibility for liquidity risk management rests with the company's board which receives information on the company's short term requirements on a weekly basis, and medium to long term requirements on a monthly basis. Cashflow monitoring and forecasting form part of the reports regularly delivered to the company's board which are also reported to the parent company board. Liquidity risk is mitigated in the company as all financial liabilities are owed to other Group companies.