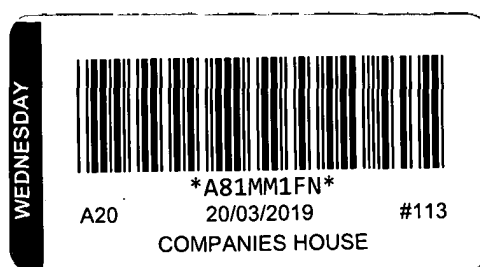


Registration number: 03473878

**Tenet Business Solutions Limited**  
**Annual Report and Financial Statements**  
**for the Year Ended 30 September 2018**



# **Tenet Business Solutions Limited**

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# **Tenet Business Solutions Limited**

## **Company Information**

### **Directors**

H M Ball  
C J Bradley  
S M Jones  
K J Craig

### **Company secretary**

R J Fletcher  
Registered office  
5 Lister Hill  
Horsforth  
Leeds  
West Yorkshire  
LS18 5AZ

### **Solicitors**

Addleshaw Goddard LLP  
Milton Gate  
60 Chiswell Street  
London  
EC14 4AG

### **Bankers**

Lloyds Bank PLC  
1 Lovell Park Road  
Leeds  
LS1 1NS

### **Auditors**

Deloitte LLP  
1 City Square  
Leeds  
LS1 2AL

## **Tenet Business Solutions Limited**

### **Strategic Report for the Year Ended 30 September 2018**

The directors present their strategic report for the year ended 30 September 2018.

#### **Fair review of the business**

The company's principal activities are to provide marketing, employment and IT support to Tenet Group Limited and its subsidiary companies ("the Group"). There have not been any significant changes in the company's principal activities 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 company's income statement on page 9 operating profit reduced by £1,386,000 to £nil (2017: £1,386,000) due to a one off intercompany write-off in 2017, gross profit has increased by £433,000 to £513,000 (2017: £80,000). This is mainly attributed to Advisor Development Programme revenues and related costs not being recharged out to the other Group companies from June 2018.

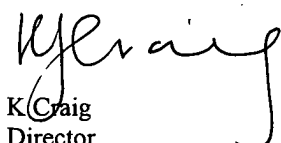
The company's statement of financial position on page 10 shows that the net asset position has reduced by the £371,000 to £4,261,000 (2017: £4,632,000).

Note 2 includes details of key assumptions used in the preparation of the company's financial statements. Note 3 details 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 expect the general level of activity to be similar in the coming year. The company has invested significantly in its technology solutions and will continue to do so in the forthcoming year.

Approved by the Board on 6 February 2019 and signed on its behalf by:



K. Craig  
Director

## **Tenet Business Solutions Limited**

### **Directors' Report for the Year Ended 30 September 2018**

The directors present their report and the financial statements for the year ended 30 September 2018.

#### **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

C J Bradley

G M Davidson (resigned 13 December 2017)

S M Jones

K J Craig

M J O'Brien (resigned 22 June 2018)

M Thomas (resigned 3 May 2018)

J D Thompson (resigned 4 October 2017)

M Gartside (appointed 22 November 2017 resigned 5 November 2018)

#### **Results and Proposed Dividends**

The results for the year are presented in the income statement on page 9.

The directors do not recommend a dividend (2017: nil).

#### **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.

#### **Principal Risks and Uncertainties**

The company's principal activities are to provide marketing, employment and IT support to Tenet Group Limited and its subsidiary companies, the company risks are minimal due to all these costs being recharged to other group companies. From June 2018, the company became responsible for all the Group's external advisor events. With this, the company now faces external revenue risks, particularly with regards to competitive pressures within the market. The company manages this risk by providing added value to its services and maintaining a strong relationships with advisors.

## **Tenet Business Solutions Limited**

### **Directors' Report for the Year Ended 30 September 2018 (continued)**

#### **Going concern**

As highlighted in the Group's Annual Report, although the current economic conditions create uncertainty in respect of the level of demand for financial services products the company has a profitable business model. Although not directly involved in the sale of financial services products, the company's business model is intrinsically linked to the performance of other Group companies which are exposed to economic conditions. The company's forecasts and projections, including sensitivity analysis taking into account reasonably possible adverse changes in trading performance, show that the company should continue to trade profitably in future years despite the current uncertain economic outlook. 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 with net assets of £4.3 million and no bank debt or other financial liabilities with any restrictive or financial covenants. It has long established relationships with a large number of product providers and suppliers across a diverse geographical area within the U.K, with no significant credit risk exposure to any single counterparty other than the Group.

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 continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

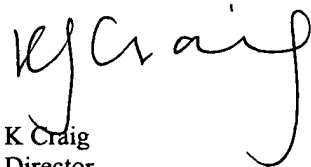
#### **Disclosure of information to the auditors**

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.

#### **Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Deloitte LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 6 February 2019 and signed on its behalf by:



K Craig  
Director

## **Tenet Business Solutions Limited**

### **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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.

# **Tenet Business Solutions Limited**

## **Independent Auditor's Report**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Tenet Business Solutions Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30<sup>th</sup> September 2018 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 positions;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 14.

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

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.



## **Tenet Business Solutions Limited**

### **Independent Auditor's Report (continued)**

#### **Other information**

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

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

We have nothing to report in respect of these matters.

#### **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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Tenet Business Solutions Limited**

### **Independent Auditor's Report (continued)**

#### **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.



Peter Birch FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

6 February 2019

# Tenet Business Solutions Limited

## Income Statement for the Year Ended 30 September 2018

	Note	2018 £000	2017 £000
Turnover	2	513	2,398
Cost of sales		-	(2,318)
Gross profit		513	80
Administrative expenses		(513)	1,306
Operating profit	5	-	1,386
Impairment loss on investment	8	(115)	-
(Loss)/Profit before tax		(115)	1,386
Tax on (loss)/profit on ordinary activities	6	(256)	45
Loss/(profit for the year)		(371)	1,431

The above results were derived from continuing operations.

The notes on pages 12 to 22 form an integral part of these financial statements.

# Tenet Business Solutions Limited

(Registration number: 03473878)

## Statement of Financial Position as at 30 September 2018

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Tangible assets	7	4,142	3,566
Investments	8	119	234
		<u>4,261</u>	<u>3,800</u>
<b>Current assets</b>			
Trade and other receivables	9	5,313	4,110
Cash at bank and in hand		5	12
		<u>5,318</u>	<u>4,122</u>
<b>Trade and other payables</b>	10	<u>(5,318)</u>	<u>(3,290)</u>
<b>Net current (liabilities)/assets</b>		<u>-</u>	<u>832</u>
<b>Net assets</b>		<u>4,261</u>	<u>4,632</u>
<b>Capital and reserves</b>			
Called up share capital	11	2,712	2,712
Profit and loss account		<u>1,549</u>	<u>1,920</u>
<b>Shareholders' funds</b>		<u>4,261</u>	<u>4,632</u>

The financial statements of Tenet Business Solutions Limited (registration number 03473878) were approved by the Board on 6 February 2019 and signed on its behalf by:



K. Craig  
Director

The notes on pages 12 to 22 form an integral part of these financial statements.

# Tenet Business Solutions Limited

## Statement of Changes in Equity for the Year Ended 30 September 2018

	Share capital £000	Retained earnings £000	Total £000
At 1 October 2017	2,712	1,920	4,632
Loss for the year	-	(371)	(371)
Total comprehensive income	-	(371)	(371)
At 30 September 2018	2,712	1,549	4,261

	Share capital £000	Retained earnings £000	Total £000
At 1 October 2016	2,712	1,297	4,009
Profit for the year	-	1,431	1,431
Total comprehensive income	-	1,431	1,431
Dividends paid	-	(808)	(808)
At 30 September 2017	2,712	1,920	4,632

The notes on pages 12 to 22 form an integral part of these financial statements.

# **Tenet Business Solutions Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2018**

### **1 General information**

The address of its registered office is:

5 Lister Hill  
Horsforth  
Leeds  
West Yorkshire  
LS18 5AZ

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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.

#### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 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 and ("FRS 101") as issued by the Financial Reporting Council and has, in doing so, applied the requirements of FRS 1.6-33 and related appendices. No adjustment of the prior year financial statements was required.

The financial statements have been prepared on the historic cost basis.

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.

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

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable and represents management fees recharged to Group companies and amounts received from product providers to assist marketing in the Group, net of discounts, VAT and other sales related taxes. All revenue arises in the United Kingdom.

## **Tenet Business Solutions Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

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

##### **Administrative expenses**

Administrative expenses are comprised of VAT recoverable less staff costs and other administrative expenses.

##### **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 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 substantively enacted by the balance sheet date. Unless the effect of discounting is material, deferred tax is measured on a non-discounted basis.

##### **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 over its estimated useful life, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold improvement	5 years - straight line
Fixtures and fittings	5 years - straight line
Computer equipment & software	3 - 7 years - straight line
Assets under construction are not depreciated until completed.	

##### **Investments**

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

## **Tenet Business Solutions Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

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

##### **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 receivables**

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method where the effect is material. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the effective interest rate computed at initial recognition where the effect is material.

##### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.



## **Tenet Business Solutions Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

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

##### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### **The Company as lessee**

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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

##### **Pension costs**

The company contributes to a defined contribution pension scheme administered by another Group company. The amount charged to the income statement relates to the contributions payable in the year. Differences arising between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## Tenet Business Solutions Limited

### Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

#### 2 Accounting policies (continued)

##### Financial assets and liabilities

###### *Classification*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

###### *Recognition and measurement*

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

#### 3 Staff costs

All staff utilised by the company in the delivery of its 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 it receives recompense from the company in respect of this service through management recharges which are allocated on a time incurred basis.

The amounts disclosed below relate to amounts which are incurred by the company and have been recharged to the company by Tenet Business Solutions Limited.

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

	2018 £000's	2017 £000's
Wages and salaries	187	-
Social security costs	19	-
Pension costs, defined contribution scheme	9	-
	<u>215</u>	<u>-</u>

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

	2018 No.	2017 No.
Administration and support	5	-
Directors	5	7
	<u>10</u>	<u>7</u>

## **Tenet Business Solutions Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

#### **4 Directors' remuneration**

The Directors did not receive any fees or emoluments from the company during the year (2017: nil). All directors fees or emoluments were paid by Tenet Business Solutions Ltd.

Three 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 two directors are also directors of other group companies, during the year three directors received total remuneration of £243,000 and £16,000 defined contribution pension benefit. No allocation between the services is made nor is the Group prepared to attempt such allocation.

#### **5 Operating profit**

Operating profit is arrived at after charging:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Depreciation expense	1,195	929
Impairment of investment	(115)	(808)
Operating lease expense - property	241	64
Operating lease expense - other	102	164

Audit fees for the Company are borne by Tenet Group Limited on behalf of all the Group companies

## Tenet Business Solutions Limited

### Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

#### 6 Income tax

Tax charged/(credited) in the income statement

	2018 £000	2017 £000
<b>Current taxation</b>		
UK corporation tax	302	(45)
Deferred taxation	(46)	-
UK corporation tax	<u>256</u>	<u>(45)</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2017 - the same as the standard rate of corporation tax in the UK) of 19% (2017: 19.5%).

The differences are reconciled below:

	2018 £000	2017 £000
Profit before tax	-	<u>1,386</u>
Corporation tax at standard rate	-	270
Increase/(Decrease) in current tax from adjustment for prior periods	-	38
Increase from effect of capital allowances depreciation	(159)	-
Tax effect on surrender of tax losses	-	-
Decrease from effect of revenues exempt from taxation	(143)	(338)
Deferred taxation	46	-
Increase from effect of expenses not deductible in determining taxable profit/(tax loss)	-	12
(Decrease)/Increase in current tax from unrecognised tax loss or credit	-	<u>(27)</u>
Total tax charge/(credit)	<u>256</u>	<u>(45)</u>

#### Deferred tax

There are £372,000 of deductible temporary differences (2017 - £149,000) and £nil of unused tax losses (2017 - £14,000) for which no deferred tax asset is recognised in the statement of financial position.

# Tenet Business Solutions Limited

## Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

### 7 Property, plant and equipment

	Leasehold improvements £000	Fixtures and fittings £000	Assets under construction £000	Computer equipment & software £000	Total £000
<b>Cost or valuation</b>					
At 1 October 2016	662	491	1,087	7,668	9,908
Additions	35	15	510	996	1,556
Disposals	(21)	(257)	-	(2,358)	(2,636)
Transfers	-	-	(639)	-	(639)
<b>At 30 September 2017</b>	<b>676</b>	<b>249</b>	<b>958</b>	<b>6,306</b>	<b>8,189</b>
At 1 October 2017	676	249	958	6,306	8,189
Additions	73	4	665	1,029	1,771
Transfers	-	-	(337)	337	-
<b>At 30 September 2018</b>	<b>749</b>	<b>253</b>	<b>1,286</b>	<b>7,672</b>	<b>9,960</b>
<b>Depreciation</b>					
At 1 October 2016	211	335	-	5,782	6,328
Charge for year	68	50	-	811	929
Eliminated on disposal	(20)	(256)	-	(2,358)	(2,634)
<b>At 30 September 2017</b>	<b>259</b>	<b>129</b>	<b>-</b>	<b>4,235</b>	<b>4,623</b>
At 1 October 2017	259	129	-	4,235	4,623
Charge for the year	77	49	-	1,069	1,195
<b>At 30 September 2018</b>	<b>336</b>	<b>178</b>	<b>-</b>	<b>5,304</b>	<b>5,818</b>
<b>Carrying amount</b>					
<b>At 30 September 2018</b>	<b>413</b>	<b>75</b>	<b>1,287</b>	<b>2,367</b>	<b>4,142</b>
<b>At 30 September 2017</b>	<b>417</b>	<b>120</b>	<b>958</b>	<b>2,071</b>	<b>3,566</b>

## Tenet Business Solutions Limited

### Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

#### 8 Fixed Asset Investments

	£000
<b>Cost</b>	
At 1 October 2017	234
At 30 September 2018	234
<b>Impairment</b>	
At 1 October 2017	-
At 30 September 2018	(115)
<b>Net Book Value</b>	
At 30 September 2018	119
At 30 September 2017	234

The Company's fixed asset investments brought forward comprise a 20% shareholding in Ayrshire Financial Services Limited, 145,000 shares in The Sycamore IV Mezzanine Finance Fund LLP and 5.94% of the shares in Tungate Capital Plc.

#### 9 Trade and other receivables

	2018 £000	2017 £000
Trade receivables	424	526
Receivables from related parties	3,512	2,304
Prepayments	1,005	948
Other receivables	-	6
Deferred tax asset	372	326
	<u>5,313</u>	<u>4,110</u>

# Tenet Business Solutions Limited

## Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

### 9 Trade and other receivables (continued)

Included within the company's trade receivable balance are debtors with a carrying amount of £nil (2017: £31,000) which are past due at the reporting date for which the company has not provided as there has not been a significant change in credit quality and the directors believe that the amounts are still recoverable. The company does not hold any collateral over these balances. The carrying value of these receivables past-due by less than three months is £0 (2017: £0), whilst £nil (2017: £31,000) of the receivables are past-due by more than three months.

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

The company reviews all trade receivables for recoverability, and provides against a proportion of the debt, which is judged irrecoverable. No trade or other receivables were deemed to be irrecoverable at the reporting date.

### 10 Trade and other payables

	2018	2017
	£000	£000
Trade payables	318	299
Accrued expenses	792	703
Amounts due to related parties	3,512	1,908
Taxation	302	-
Other payables	394	380
	5,318	3,290

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

### 11 Share capital

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

	2018	2017
	No. £	No. £
Ordinary Shares of £1 each	2,712,416	2,712,416

### 12 Financial Commitments

#### Operating leases

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

## **Tenet Business Solutions Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

#### **12 Financial Commitments (continued)**

##### **Land and buildings:**

Within one year	297	168
In the second to fifth years inclusive	796	330
After five years	364	96
	<u>1,457</u>	<u>594</u>

#### **13 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.

#### **14 Parent and ultimate parent undertaking**

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 is the 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.