Company Registration No. 03909395

TENET GROUP LIMITED

Annual Report and Financial Statements

For the year ended 30 September 2015

TENET GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

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TENET GROUP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A M Beswick
C J Bradley
G Davidson
M J Greenwood
P Hilling
D Jarrett
A B Meeks
M J O'Brien
R D Smith (resigned 26th June 2015)
D J Wild

COMPANY SECRETARY

R J Fletcher

REGISTERED OFFICE

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

BANKERS

Lloyds Bank PLC
116 Wellington Street
Leeds
LS1 4LT

SOLICITORS

Eversheds LLP
Bridgewater Place
Water Lane
1 City Square
LS11 5DR

AUDITOR

Deloitte LLP
Chartered Accountants & Statutory Auditor
1 City Square
Leeds
United Kingdom
LS1 2AL

TENET GROUP LIMITED

CHIEF EXECUTIVE'S STATEMENT

During a year of significant pension reforms, I am pleased to report that our headline turnover increased by £9m to £136m and EBITDA (Earnings Before Interest, Tax and Depreciation) increased by 15% to £1.5m.

- Lime, the Group's mortgage network, increased turnover by 48% and EBITDA by 105%;
- The Group's largest brand, Connect, increased membership of Registered Individuals by 5%;
- Turnover within the Group's Directly Authorised proposition, Tenet Select, grew by 5%;
- Paragon, the Group's captive insurance company, continues to provide stable professional indemnity insurance and uniquely offers lifetime runoff cover to both ex-members and existing members;
- Sinfonia secured a Defaqto 5 Diamond rating in 2015 which has been reconfirmed for 2016, on-going fund charges have reduced to 0.96% - 1.09% making the funds very competitive.

The Group has had a dedicated 'Striving for Ten' campaign, with a focus on delivering great service to colleagues, members and clients. This resulted in the Group being awarded a two star accreditation for 'outstanding' service by Investor in Customers, following the latest annual independent assessment of member firms, staff and senior management. The Group achieved a remarkable 38 point rise, the largest year-on-year increase ever recorded by Investors in Customers. The Board is committed to continuous service improvement across all the brands and increasing the score in the next assessment.

Other awards, in addition to the Investor in Customers success included:

- Tenet Group awarded 'Best Network' by Money Marketing Awards;
- Tenet Group made the shortlist for 'Best Network' in the 2016 Professional Advisor Awards;
- Gemma Harle, MD of TenetLime was awarded Business Leader – Network by British Mortgage Awards;
- Winner of the 'Customer Excellence' category in Legal & General's Business Quality Awards;

Like many in the industry, we are awaiting the recommendations of the Financial Advice Market Review with interest and have research underway in various areas to ensure we are well positioned to capitalise on any opportunities that arise. It has offered a genuine opportunity for those 'on the coalface' to influence the regulation that governs our profession and will hopefully highlight the barriers to the provision of financial advice under the existing regulatory regime and particularly the untouchable position enjoyed by FOS.

Administration expenses were maintained at prior year levels as a result of improvements in efficiency. The Group invested £1.7m in fixed assets with £1m further invested in developing Tenet Advantage and Business Process Management.

The Group will continue to invest in the development of the Tenet Advantage system with a significantly improved systems scheduled for launch in January 2016. This new system provides our members with improved reporting functionality and will reduce the Group's exposure to risk.

The balance sheet of the Group at 30 September 2015 continues to remain robust with £22.3m of cash, no external debt and £29.5m of net assets.

Above all, our results, market position and success are made possible by the dedication and commitment by the people that make up the Tenet Group; to them, on behalf of the Board we say a heartfelt ' thank you'.

Martin Greenwood.

MARTIN GREENWOOD
CHIEF EXECUTIVE

TENET GROUP LIMITED

STRATEGIC REPORT

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the company is that of a holding company of a group of companies that provide financial services to private individuals and provide support services and facilities to firms of financial advisers. Services provided by the Group include the following:

- Provision of financial advice;
- Compliance consulting;
- Industry guidance;
- Technical advice;
- Fee processing facilities and business administration;
- Provision of professional indemnity insurance; and
- Sponsorship of an asset management service for private individuals.

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.

The Group traded profitably during the year and achieved the Board's expectation. A long term plan has been agreed to improve shareholder value and to continue to de-risk the business over a five year period.

The Board agreed strategic themes for the Group that have been communicated to all employees and linked to their objectives, these themes continue into 2016 and beyond as part of the Group's long term plan.

- Customer Centric Culture
- Defined Proposition
- Operational Excellence
- De-risk the Business
- Add Shareholder value

Tenet remains committed to being a supporter of Independent advice as well as servicing advisors who move to a restricted model.

Key developments in the year include:

- Implementation of an activity based costing model to ensure fair pricing to members;
- Maintained a schedule of over 100 professional development events;
- Invested £0.8m in Tenet Advantage advisor software solution;
- As a result of the Pension legislation the Group provided training on pension freedoms and drawdown to 417 advisers and paraplanners;.
- Engaged external accountants to perform internal audit, strengthening our internal controls;
- The Group maintained 6th place in Financial Adviser's annual 'Top 100 Advisors';
- Successfully servicing firms with staging dates for auto enrolment;
- Continued to champion advisers' best interests as part of APFA;
- Provide access to our in-house customised product, platform and fund research panels via a bespoke version of Defaqto's Engage solution.

As detailed in the income statement on page 14, the Group's annual revenue has increased by 9% to £136.4m (2014: £125.2m) and gross profit has increased by 1% to £20.6m (2014: £20.4m). Earnings before interest, tax, depreciation and amortisation increased by 15% to £1.5m (2014: £1.3m)

The balance sheet on page 15 shows that the Group's financial position at year end in cash terms has increased by 3% to £22.3m (2014: £21.7m) and the net assets have increased by 2% to £29.5m (2014: £28.9m). Details of amounts owed to and by other Group companies are shown in Note 13 and Note 15. A number of Group companies are regulated by the Financial Conduct Authority and commentary on the financial resources of these firms is included in this report.

The Group has generated net cash from operating activities of £1.9m (2014: net cash used £0.55m)

There were no significant events after the balance sheet date as detailed in Note 22.

Financial Resources of the Regulated Network Businesses At 30 September 2015

A requirement of the Financial Services and Markets Act 2000 is that firms directly authorised by the Financial Conduct Authority to give financial advice in respect of regulated financial products should have minimum levels of financial resources. There are strict rules governing the calculation of these.

At 30 September 2015, the statutory accounts of each of the Group's three regulated networks (TenetConnect Services Limited, TenetConnect Limited and TenetLime Limited) confirmed that each of them satisfied their relevant regulatory financial resources requirements.

The management accounts of the Group also confirm that each of TenetConnect Services Limited, TenetConnect Limited and TenetLime Limited satisfied their relevant regulatory financial resources requirements at all times during the last twelve months.

The directors are confident that these regulated businesses will continue to meet their financial resource requirements for the forthcoming financial year.

RISK MANAGEMENT

The Board is responsible for the Group's systems of internal control and for reviewing their effectiveness, whilst the responsibility for commissioning specific internal and external audit activities has been delegated to the Audit Committee.

Risk management systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, not absolute assurance against material misstatement or loss. The key control mechanisms established by the Board to maintain a sound system of internal control in order to safeguard shareholders' investment and the Group's assets are:

Economic environment

The Board regularly considers the wider economic environment facing the business, and how such environments may specifically impact the business. Such reviews, where necessary, result in the Board making the appropriate changes to both the Group's strategic direction and operational activities to ensure the on-going viability of the Group.

Financial information

The Board reviews and approves a detailed annual budget covering all aspects of the Group. The Group operates a comprehensive financial reporting system and management accounts are prepared for each subsidiary company and the Group on a monthly basis. Material variances from budget are fully investigated. The monthly management accounts and commentary compare actual results against budget and are reviewed by the Board, which determines appropriate action. Cash flow forecasts are regularly prepared to ensure that the Group has adequate funds and resources for the foreseeable future.

Risk management

The Group has established a Risk Committee to examine and challenge the processes, systems and controls of the Group and aims to identify operational and financial risk.

Other key aspects of the company's policy on managing Group risk are:

a) Internal audit

Financial control and compliance procedures operate throughout the Group to ensure the integrity of functions. During the year the Audit Committee and Board have approved the appointment of an external firm to undertake internal audits. A three year internal audit strategy has been approved by the board. The internal auditors will meet with the Audit Committee to present their reports and discuss any emerging risks or concerns.

b) Legal contracts

Prior to their completion, all significant legal documents are reviewed for appropriateness either by the company's lawyers or by the Group Regulatory Director. The Group maintains and regularly reviews a database of company contracts.

c) Commercial and financial risks

The principal commercial and financial risks faced by the Group are shown in Note 3 and Note 23, which also include commentary on the management of these risks.

Regulatory management

The Group's Regulatory Director has responsibility for ensuring that clear guidance is provided in relation to the requirements of the Financial Conduct Authority in so far as they affect the Group's regulated activities. Systems and controls are in place that are intended to monitor adherence to this guidance by Group staff and the Appointed Representatives of the Group's network businesses.

Computer controls

The Group has established controls over the security of data held on computer systems and has in place disaster recovery procedures in respect of such data.

HEALTH & SAFETY

The Group has established a Health & Safety Committee the role of which is to ensure that the Group meets its statutory obligations in relation to Health & Safety legislation and that employees are adequately trained in, and aware of, relevant requirements and also to promote employee welfare. This Committee meets quarterly and the company encourages employees to participate in these meetings.

ENVIRONMENT

The Group encourages energy efficiency and the avoidance of waste, including recycling of materials and reduction of use of paper through office automation.

EMPLOYEES

Details of the number of employees and related costs can be found in Note 5.

Quality and integrity of personnel

All employees are informed of Group operating procedures and training updates are performed at regular intervals. All new members of staff are required to attend an induction programme. All policies and procedures are available on the Group intranet and in hard copy format if required.

The Group also operates a staff appraisal scheme with a formal review for all employees conducted annually. The appraisal system facilitates the identification of training and development needs for all employees through the production of individual Personal Development Plans and is an integral part of the company's staff development policy across all Group companies.

STRATEGIC REPORT (CONTINUED)

Employment Policies

The Group's policy on employee involvement is to adopt an open management style, thereby encouraging informal consultation at all levels about aspects of the Group's operations. One to one meetings with management and regular team briefings ensure that effective consultation and employee participation is achieved.

Employment policies are designed to provide equal opportunities irrespective of age, colour, ethnic or natural origin, nationality, sex, religion, and marital or disabled status. Full consideration is given to applications for employment by and the continuing employment, training and career development of disabled people.

Health and Safety

The Group recognises both its legal and moral responsibility for the health, safety and welfare at work of all employees. The Group's responsibility also extends to other associated third parties (such as sub-contractors and the general public) for which it has a duty of care.

As such, the Group promotes high standards of health and safety at all times in the conduct of its business. The Group's policy is to meet all its legal obligations and it is the Group's policy to adopt safe working practices and operations, including the use of plant, machinery and equipment.

Employees are given information, instruction, training and the supervision necessary for their health and safety. All employees are aware of, and comply with, their individual and collective responsibilities and have a clear duty to take reasonable precautions to avoid injury to themselves, colleagues and members of the public. All Group vehicles are maintained to a safe and high standard.

Issues relating to health and safety are discussed at individual trading company and Tenet Group Limited Board meetings. Risk assessments are carried out on an annual basis, or as required.

POLITICAL CONTRIBUTIONS

It is the Group's policy not to make contributions for political purposes.

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

M. J. Greenwood.

M J Greenwood
Director
17th December 2015

TENET GROUP LIMITED

DIRECTORS' REPORT

RESULTS AND PROPOSED DIVIDENDS

The results for the year are dealt with in the income statement on page 14.

It remains the policy of the Board of Directors to retain cash generated by the Group for the financing of new business initiatives and to support the Group's on-going operations. Consequently, the directors do not recommend the payment of a dividend (2014: £nil).

CORPORATE GOVERNANCE

Key features of the way the Group governs itself are reported below.

Directors

The Group is controlled through the company's Board of Directors, which comprises the Chairman, Chief Executive, the non-executive directors and executive directors. The Board normally meets every month. All directors receive sufficient relevant information on financial, business and corporate issues prior to meetings and are able to take independent professional advice in the furtherance of their duties, if necessary.

Board

The Board is responsible for overall Group strategy, acquisition and divestment policy, approval of major capital expenditure and significant financing matters. It monitors exposure to key business risks and reviews the strategic direction of individual trading activities, annual budgets and progress towards achieving them, and employee issues including key executive appointments.

The Board has established an Audit Committee, Risk Committee, Remuneration Committee, Nomination Committee, Regulatory Policy Committee, Advice Quality Forum, TCF (Treating Customers Fairly) Committee and Authorisations Committee to be responsible for specific matters. Each of these committees operate within defined terms of reference. Apart from the Nomination Committee and Remuneration Committee, the minutes of these meetings are circulated to, and reviewed by, the full Board.

Audit Committee

The Committee is chaired by a non-executive director and comprises only non-executive directors; no executive director is a member of the committee.

The principal work undertaken by the Committee relates to the review of the audit of the annual financial reports and matters arising from the audit, with the external auditors in attendance. It is also responsible for agreeing the annual remuneration of the external auditors. Additionally, the Audit Committee develops and approves the internal audit strategy and receives reports from its internal auditors, the Committee responds to recommendations made by the Risk Committee as well as internal reviews and reports provided by the Group's external auditors. Based upon its findings, the Audit Committee makes recommendations to the Board regarding accounting policies, internal financial and regulatory compliance standards and the effectiveness of the internal and external audit function.

Risk Committee

The Risk Committee examines and challenges the processes, systems and controls of the Group and aims to identify any risks that the Group might face or that could impact on Customer Outcomes. The Committee reviews the Group's Risk Register and receives additional information on relevant risk matters from line management and other sources on a regular basis. A non-executive director chairs the Committee.

Remuneration Committee

The Remuneration Committee reviews the Group's remuneration policy, the main purpose of which is to attract, retain and motivate high calibre individuals with a competitive remuneration package whilst limiting the Group's fixed employee costs. The Committee consults other directors as necessary about its proposals and has access to professional advice from outside the company. The Committee makes recommendations to the Board regarding remuneration policy, including annual salary reviews, bonus awards and other incentives for employees. The Committee is chaired by a non-executive director.

Authorisations Committee

The Authorisations Committee is responsible for the review and assessment of applications of firms or individual advisers, together with the monitoring of any performance issues identified with any firms or individual advisers within the Network. It is chaired by the Group Regulatory Director and its membership is comprised of senior Executives.

Nomination Committee

The Nomination Committee comprises non-executive directors and meets on an ad hoc basis to consider changes to the Board of Directors, if any.

Regulatory Policy Committee

The Regulatory Policy Committee is responsible for reviewing and approving policy development in the Group's regulated businesses. It is chaired by the Group Regulatory Director and its membership includes senior Executives. The Minutes of the Committee's monthly meetings form part of the management information provided to the Group's Directors.

TCF Committee

The TCF Committee is responsible for reviewing the key performance and/or risk indicators developed by the Group evidencing the fair treatment of customers, requiring business owners to take action to address areas of concern. The Committee is chaired by the Group Regulatory Director and its membership is comprised of senior executives.

Advice Quality Forum

The Advice Quality Forum operates as part of the Group's commitment to improving the standards of advice and related consumer outcomes. Chaired by the Group Regulatory Director, the Committee meets monthly and considers issues of business quality and consistency whilst benchmarking advisory standards and adjudicating in areas where policy guidance is required. The Committee comprises senior Executives of the regulated businesses, including the Chief Executive.

Directors' remuneration

The remuneration packages of directors and other executives comprise a basic salary, performance related bonus, pension contributions and other benefits in kind. No director plays a part in any discussion about his or her own remuneration.

The Annual General Meeting of the Shareholders

The Board welcomes the attendance of shareholders at the Annual General Meeting and the opportunity to address any questions that they may have.

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 or any of its subsidiaries.

DIRECTORS

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

A M Beswick
C J Bradley
G M Davidson
M J Greenwood
P Hilling
D Jarrett
A B Meeks
M J O'Brien
R D Smith (resigned 26th June 2015)
D J Wild

GOING CONCERN

Although the on-going economic conditions create uncertainty in respect of the level of demand for financial services products the Group was profitable before tax in the financial year ended 30 September 2015 and has a strong balance sheet and cash position. The Group's forecasts and projections, including sensitivity analysis taking into account reasonably possible adverse changes in trading performance, show the Group should be able to operate within its own financial resources without the requirement for new funding. As a consequence, the directors believe that the Group continues to be amongst the best placed in its sector to manage its business risks successfully in the present challenging economic environment.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive's Statement, the Strategic Report and the Directors' Report on pages 2 to 10. The financial position of the Group, its cash flows and its liquidity position are described in the Chief Executive's Statement and the Strategic Report. In addition, Note 23 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk, market risk and liquidity risk.

The Group has a significant level of financial resources, including £22.3m of cash at bank, net assets of £29.5m, with no bank debt or other financial liabilities with any restrictive or financial covenants. It has long established relationships with a large number of clients, advisers and product providers across a diverse geographical area within the UK, with no significant credit risk exposure to any single counterparty.

As stated in Note 2, taking these factors into account, and after making enquiries, the directors have a reasonable expectation that the Group 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.

DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditor is aware of that information.

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

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

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

M. J. Greenwood.

M J Greenwood
Director
17th December 2015

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 (IFRSs) 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 IFRSs 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TENET GROUP LIMITED

We have audited the financial statements of Tenet Group Limited for the year ended 30 September 2015 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements, and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TENET GROUP LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Peter Birch FCA

Senior Statutory Auditor

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Leeds

United Kingdom

CONSOLIDATED INCOME STATEMENT
For the year ended 30 September 2015

	Note	Year ended 30 September 2015 £	Year ended 30 September 2014 £
GROUP REVENUE	2	136,345,780	125,228,203
Cost of sales		(115,759,056)	(104,814,477)
GROSS PROFIT		20,586,724	20,413,726
Administrative expenses		(19,102,332)	(19,121,246)
PROFIT BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION		1,484,392	1,292,480
Depreciation, amortisation and impairment charges	10, 11	(1,254,022)	(1,234,200)
Group Operating Profit		230,370	58,280
Interest receivable and similar income	6	242,687	305,379
Interest payable	7	(1,105)	(8,245)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	8	471,952	355,414
Taxation	9	-	(6,688)
PROFIT FOR PERIOD		471,952	348,726
Attributable To:			
SHAREHOLDERS OF THE PARENT COMPANY		506,005	440,537
NON-CONTROLLING INTERESTS	25	(34,053)	(91,811)
		471,952	348,726

There was no recognised income and expenditure in the current or preceding years other than the 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.

CONSOLIDATED BALANCE SHEET
As at 30 September 2015

	Note	30 September 2015 £	30 September 2014 £
NON-CURRENT ASSETS			
Intangible fixed assets	10	12,172,475	12,387,736
Property, plant and equipment	11	3,210,848	2,492,798
Investments	12	-	20
		15,383,323	14,880,554
CURRENT ASSETS			
Trade and other receivables	13	10,830,251	10,418,273
Cash and cash equivalents	14	22,271,677	21,719,346
		33,101,928	32,137,619
CURRENT LIABILITIES			
Trade and other payables	15	(11,463,846)	(9,996,389)
NET CURRENT ASSETS		21,638,082	22,141,230
NON-CURRENT LIABILITIES			
Provisions for liabilities	16	(7,549,938)	(8,091,734)
NET ASSETS		29,471,467	28,930,050
EQUITY			
Share capital	17	24,731	24,731
Share premium account		37,914,168	37,914,168
Retained earnings		(8,362,188)	(8,868,193)
Equity attributable to owners of the Company		29,576,711	29,070,706
Non-controlling interests		(105,244)	(140,656)
TOTAL EQUITY		29,471,467	28,930,050

These financial statements were approved by the Board of Directors and authorised for issue on 17th December 2015.
Signed on behalf of the Board of Directors by:

C J Bradley

Director

Company Registration Number 03909395

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

COMPANY BALANCE SHEET
As at 30 September 2015

	Note	30 September 2015 £	30 September 2014 £
NON-CURRENT ASSETS			
Investments	12	39,213,353	39,213,353
		39,213,353	39,213,353
CURRENT ASSETS			
Trade and other receivables	13	2,035,862	1,926,153
Cash and cash equivalents		40,582	1,224,399
		2,076,444	3,150,552
CURRENT LIABILITIES			
Trade and other payables	15	(2,021,876)	(2,112,012)
NET CURRENT ASSETS		54,568	1,038,540
NET ASSETS		39,267,921	40,251,893
EQUITY			
Equity shareholders' funds			
Called-up share capital	17	24,731	24,731
Share premium account		37,914,168	37,914,168
Retained earnings		1,329,022	2,312,994
TOTAL EQUITY		39,267,921	40,251,893

These financial statements were approved by the Board of Directors and authorised for issue on 17th December 2015.
Signed on behalf of the Board of Directors by:

C J Bradley

Director

Company Registration Number 03909395

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Equity attributable to equity shareholders of the company

	Share Capital £	Share Premium Account £	Retained Earnings £	Non-Controlling Interest ("NCI") £	Total Equity £
Balance at 1 October 2014	24,731	37,914,168	(8,868,193)	(140,656)	28,930,050
Profit for the period	-	-	506,005	(34,053)	471,952
Adjustments in NCI	-	-	-	69,465	69,465
Balance at 30 September 2015	24,731	37,914,168	(8,362,188)	(105,244)	29,471,467
Balance at 1 October 2013	24,731	37,914,168	(9,308,730)	(75,703)	28,554,466
Profit for the period	-	-	440,537	(91,811)	348,726
Adjustments in NCI	-	-	-	26,858	26,858
Balance at 30 September 2014	24,731	37,914,168	(8,868,193)	(140,656)	28,930,050

COMPANY STATEMENT OF CHANGES IN EQUITY
Equity attributable to equity shareholders of the company

	Share Capital £	Share Premium Account £	Retained Earnings £	Total Equity £
Balance at 1 October 2014	24,731	37,914,168	2,312,994	40,251,893
Loss for the financial year	-	-	(983,972)	(983,972)
Balance at 30 September 2015	24,731	37,914,168	1,329,022	39,267,921
Balance at 1 October 2013	24,731	37,914,168	3,714,603	41,653,502
Loss for the financial year	-	-	(1,401,609)	(1,401,609)
Balance at 30 September 2014	24,731	37,914,168	2,312,994	40,251,893

TENET GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 September 2015

	Note	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Net cash generated by/(used in) operating activities	24	1,940,851	(555,161)
Net cash used in investing activities	24	(1,388,520)	(1,328,097)
Net cash used in financing activities	24	-	-
Net increase /(decrease) in cash and cash equivalents		552,331	(1,883,258)
Cash and cash equivalents at beginning of financial year		21,719,346	23,602,604
Cash and cash equivalents at end of financial year		22,271,677	21,719,346

Cash and cash equivalents comprise cash in hand and demand deposits and other short and medium-term highly liquid investments that are readily convertible to a known amount of cash.

COMPANY CASH FLOW STATEMENT
For the year ended 30 September 2015

	Note	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Net cash used in operating activities	24	(1,229,068)	(675,921)
Net cash generated by investing activities	24	45,251	51,817
Net cash used in financing activities	24	-	-
Net decrease in cash and cash equivalents		(1,183,817)	(624,104)
Cash and cash equivalents at beginning of financial year		1,224,399	1,848,503
Cash and cash equivalents at end of financial year		40,852	1,224,399

Cash and cash equivalents comprise cash in hand and demand deposits and other short and medium-term highly liquid investments that are readily convertible to a known amount of cash.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2015

1 GENERAL INFORMATION

Tenet Group 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 Group's operations and its principal activities are set out in the Strategic Report on page 3.

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:

IAS 1	*Amendments to IAS 1 – Disclosure Initiative*
IAS 12	*Amendments to IAS 12 – Deferred Tax: Recovery of Underlying Assets*
IAS 16	*Amendments to IAS 16 – Clarification of Acceptable Methods of Depreciation and Amortisation*
IAS 41	*Amendments to IAS 41 – Agriculture: Bearer Plants*
IAS 19	*Amendments to IAS 19 – Defined Benefit plans: Employee Contributions*
IAS 27	*Amendments to IAS 27 – Equity Method in Separate Financial Statements*
IAS 28	*Amendments to IAS 28 – Sales or Contribution of Assets between investor and its Associate or Joint Venture*
IAS 38	*Amendments to IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation*
IFRS 9	*Financial Instruments*
IFRS 10	*Amendments to IFRS 10 – Sales or Contribution of Assets between investor and its Associate or Joint Venture*
IFRS 11	*Amendments to IFRS 11 – Accounting for Acquisitions of interests in Joint Operations*
IFRS 14	*Regulatory Deferral Accounts*
IFRS 15	*Revenue from Contracts with Customers*

Annual Improvements 2010 – 12, 2011 – 13, 2012 – 14 Cycles

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

As stated in the Directors' Report and after making enquiries, the directors have a reasonable expectation that the Group 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.

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

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 September 2015. Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated income statement from the date of acquisition or up to the date of disposal, or the loss of the power to control.

A subsidiary company owns a 71% stake in The Employee Benefits Corporation Limited. The company's financial position has been included in the consolidated financial statements as the Group holds a controlling share in the business. The non-controlling interest in this subsidiary is identified separately from the Group's equity. The interests of non-controlling shareholders are measured as a proportionate share of the fair value of the net assets acquired. The non-controlling interests' share of subsequent changes in equity will be recognised within the carrying value of the non-controlling interest.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

2 ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

A subsidiary company holds a 20% stake in Ayrshire Financial Services Limited. The results of this company has not been included in the consolidated results of the Group as the directors do not consider that they are an associated company as the Group does not hold any influence over the operating and financial policies of the investee entity. The investment has been included as a fixed asset investment in the consolidated financial statements of Tenet Group Limited.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

For the purposes of impairment testing, cash generating units to which goodwill has been allocated are tested annually using the latest forecasts of future cashflows to which an appropriate discount factor is applied. Cashflows are projected for a period of five years with a termination value, based upon budgets and detailed forecasts for the first year, followed by a growth rate in subsequent years in line with the directors' expectation and experience of each cash generating unit. The base discount factor applied to the projected cashflows is 10%. However, where the directors deem the risk to be greater than this base discount factor for a cash generating unit, then the rate is increased accordingly. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss will reduce the carrying amount of any goodwill allocated to the unit until there is no further goodwill to impair.

Goodwill arising on acquisition before the date of transition to IFRSs has been retained at the previous UK GAAP amounts, subject to being tested for impairment at that date.

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.

Investments

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

Property, plant and equipment

Property, plant and equipment are stated at cost net of depreciation with the exception of work in progress on computer equipment which reflects expenditure on assets not yet brought into use and therefore not yet subject to 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 as follows:

Computer equipment & software	3 years
Fixtures & fittings	5 years
Leasehold improvements	5 – 10 years

Leases

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term even if the payments are not made on such a basis.

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.

2 ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short and medium-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.

Financial liabilities and equity

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 Group after deducting all of its liabilities. 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.

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.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group 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 two most significant provisions are:

Commission clawback

A number of Group companies make a provision in respect of commissions received on "indemnity" terms whereby commission amounts are repayable if policies are cancelled subsequent to their sale. This provision is estimated based on historic data. All commission amounts previously paid by Group companies in respect of such cancelled policies are recharged in their entirety to the relevant Appointed Representative and/or financial adviser (see Note 16). Commission clawbacks are typically recharged to the relevant Appointed Representative by TenetConnect Services Limited, TenetConnect Limited and TenetLime Limited. Where the collection of such receivables is doubtful, each company makes an appropriate provision. Aspire Financial Management Limited will recharge commission amounts clawed back to the relevant adviser and depending upon the type of cancelled policy, TenetFinancial Solutions Limited may recharge commission amounts clawed back to the introducer of the business.

Claims payable

In the normal course of business some Group companies receive queries and complaints regarding the sale of regulated financial products. Where appropriate these are investigated in accordance with the relevant company's procedures. In some instances compensation may be payable. Based upon the experience of the relevant company, an estimate of total compensation which may be payable is calculated. These amounts, if they become payable, will usually be recovered from either Professional Indemnity insurers and/or the Appointed Representative and/or financial advisers responsible for giving the advice about which the complaint was made (see Notes 13 and 16). Where the collection of such receivables is doubtful, the company makes an appropriate provision.

For some Group companies, the lead provider of Professional Indemnity Insurance is another Group company, Paragon Insurance Company Guernsey Limited. This business holds adequate cash reserves to meet claims which arise. These balances are ring-fenced from Group cash resources (see Note 3).

Run-off cover

A provision is maintained for insurance run-off cover. This is insurance purchased from Paragon by former Authorised Representatives of the Group to be used against potential future claims.

2 ACCOUNTING POLICIES (CONTINUED)

Revenue

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

Revenue is measured at the fair value of the consideration received or receivable and represents commissions 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 commissions are accounted for when policies are accepted by the product providers, or mortgages complete, whilst renewal commissions are accounted for when received. Related amounts of commission due to the Group's agents (Appointed Representatives and/or financial advisers) are included in cost of sales and trade creditors. Fee income is recognised based on when the service is provided and when considered certain.

Due to the nature of the business of several Group entities including, TenetConnect Limited, TenetConnect Services Limited, TenetLime Limited, TenetFinancial Solutions Limited, The Employee Benefits Corporation Limited and Aspire Financial Management Limited; it is not possible to precisely determine at the date of the financial statements which policies have been accepted by the product providers or mortgages completed where commissions have not yet been received by these companies. This estimate is instead based upon historic data regarding the value of policies submitted to the product providers and deemed to be on risk. The directors review the basis of this estimate to ensure the adequacy of these calculations.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Taxation

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 Group'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 substantially 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 substantially enacted by the balance sheet date. Unless the effect of discounting is material, deferred tax is measured on a non-discounted basis.

Pension costs

The Group operates a defined contribution pension scheme. The amounts charged to the income statement are 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

2 ACCOUNTING POLICIES (CONTINUED)

Share-based payments

The Group operates an Enterprise Management Incentive Plan which is approved by Her Majesty's Revenue & Customs as well as an Unapproved Share Options Plan for the benefit of all eligible employees (see Note 17). The value of the options at the date of issue is intrinsically low as the options are not assignable and Tenet Group Limited is not a listed company. As a consequence, the impact on the profitability of the company and its net assets is immaterial and the cost of share-based payments is therefore disregarded in the preparation of the financial statements.

3 PRINCIPAL RISKS AND UNCERTAINTIES

Group

Group companies are active in the sale of regulated financial products and advise customers as to their appropriateness. As a consequence, elements of the Group's activities are regulated which gives rise to a number of risks, including censure by the Financial Conduct Authority ("FCA"). Such risks may manifest themselves financially through compensation payable regarding the sale of financial products (see Notes 2, 13 and 16) and fines imposed by the FCA for regulatory breaches. Such Group companies operate a strict compliance regime, including regular audits of their Appointed Representatives or financial advisers as applicable, to mitigate such risks and have arranged professional indemnity insurance (see below) which conforms to the requirements of the FCA.

For some Group companies, the lead provider of professional indemnity insurance is Paragon Insurance Company Guernsey Limited ("Paragon"), a Group company. The risks associated with providing this insurance are in respect of uncertainties as to whether an insured event will occur, when it will occur or how much Paragon will need to pay if it occurs. Furthermore, the structure of the insurance policy is an Alternative Risk Transfer structure which provides insurance cover over a period of more than one year. Paragon has substantial cash reserves which are ring-fenced from general Group cash resources in order to meet claims which may arise. To mitigate the risks it faces, for each year in which insurance is provided Paragon, under the terms of its policy, restricts its insurance cover to a maximum of £3 million of aggregate liability and £1 million for any single claim. If these limits are breached then the excess falls to the Group, which has additional insurance contracts with third parties to cover such losses. Paragon receives premiums each year from Tenet Group Limited which are based primarily upon an assessment of the long-term average losses in respect of claims arising from the sale of financial products arranged by the Appointed Representatives of TenetConnect Limited, TenetConnect Services Limited and TenetLime Limited. This calculation is prepared by professional advisers to the Group on an actuarial basis.

Group companies receive commission for the sale of financial products from life companies and mortgage brokers. 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, such Group companies recharge some or all of such amounts (as applicable) to their Appointed Representatives or financial advisers as applicable (see Notes 2 and 16). As a consequence, to mitigate the risk of accepting commission on an indemnity basis, such Group companies monitor this activity and the ability of their Appointed Representatives/financial advisers to service clawback liabilities.

Competitive pressure is a continuing risk for Group companies, which could result in them losing sales to their key competitors. Group companies manage this risk by providing added value services to their clients, Authorised Representatives and financial advisers, having fast response times not only in supplying products and services but also in handling all queries, and by maintaining strong relationships with their clients, Authorised Representatives and financial advisers.

Company

The company has pursued a strategy for growth, achieved partially through acquisition. Acquisitions carry inherent risks for the company. To mitigate these risks, due diligence appropriate to the size and type of business being acquired is undertaken, whilst having due regard for the nature of the transaction. Furthermore, acquisitions are only completed should legal documentation satisfactory to the company be agreed with the vendors of any acquired business.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

4 CRITICAL ACCOUNTING ESTIMATES

IFRSs require critical accounting estimates to be identified. Within these financial statements the following fall under this category:

- Revenue recognition including calculation of commissions owed by debtors – see Note 2;
- Provisions for commission clawback – see Notes 2, 3, 13 and 16;
- Provisions for claims payable – see Notes 2, 3, 13 and 16; and,
- Acquisition accounting – see Notes 2, 3 and 10.

In relation to each of the first two items, whilst the estimates are critical, there is both a liability and recoverable such that the net exposure is mitigated and not significant. In respect of the provision for claims payable, Paragon has substantial cash reserves, which are ring-fenced from general Group cash, in order to meet claims as they arise.

5 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Group

	Year ended 30 September 2015 No.	Year ended 30 September 2014 No.
Average number of persons employed (including directors)		
Directors	16	16
Administration	244	245
	260	261

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Staff costs during the year (including directors)		
Wages and salaries	8,728,754	8,688,196
Social security costs	916,034	846,100
Other pension costs	558,869	496,031
	10,203,657	10,030,327

Company

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 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. The amounts recharged to other Group companies in respect of directors are included in the financial statements of each Group company. The amounts and numbers of employees disclosed below relate to amounts recharged by Tenet Business Solutions Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

5 INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

Company (continued)

Such recharges for the remuneration of the directors in respect of the directors of the company during the year are shown in the table below. Additional emoluments paid to the directors of the company during the year were £nil (2014: £nil).

The remuneration of the directors was as follows:

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Emoluments	880,823	843,074
Contribution to money purchase pension schemes	79,728	78,531
	960,551	921,425
Emoluments of the highest paid director:		
Remuneration including pension contributions	323,189	314,899
	323,189	314,899

The number of directors who were members of pension schemes was as follows:

	Year ended 30 September 2015 No.	Year ended 30 September 2014 No.
Money purchase pension schemes	3	3

	Year ended 30 September 2015 No.	Year ended 30 September 2014 No.
Average number of persons employed		
Directors	5	5
Administration and consultancy	1	1

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Staff costs during the year (including directors)		
Wages and salaries	703,419	704,892
Social security costs	86,642	86,869
Other pension costs	72,681	72,273
	862,742	864,034

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Other interest	21,919	50,304
Bank interest	220,768	255,075
	242,687	305,379

7 INTEREST PAYABLE

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Interest payable and similar items	1,105	8,245
	1,105	8,245

8 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Depreciation and other amounts written off property, plant and equipment	946,397	956,434
Amortisation of intangible assets	304,725	277,766
Operating lease charges		
- land & buildings	267,225	261,970
- other assets	270,134	280,944
Auditor's remuneration:		
- fees payable to the company's auditor for the audit of the company's annual financial statements	4,423	4,506
- for the audit of the company's subsidiaries pursuant to legislation	121,077	126,269
Auditor's remuneration for other services to the Group:		
- other assurance services	5,800	18,350
- corporate taxation services	35,300	33,000
Staff costs (Note 5)	10,203,657	10,030,327

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

9 TAXATION

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Analysis of tax in year at 20.5% (2014: 22%)		
Current tax at 20.5% (2014: 22%)	-	1
Adjustments in respect of prior periods	-	6,687
Total current tax	-	6,688
Deferred tax		
Current	-	(3,292)
Effect of change in tax rate	-	298
Origination and reversal of temporary differences	-	-
Adjustment in respect of prior years	-	2,994
Total deferred tax	-	-
Tax on profit on ordinary activities	-	6,688
Factors affecting tax on profit on ordinary activities in year		
Profit on ordinary activities before tax	471,952	355,414
Tax on profit on ordinary activities at UK standard rate of 20.5% (2014: 22%)	96,744	78,182
Effects of:		
Expenses not deductible for tax purposes	231,455	252,707
Income not taxable	(192,396)	(209,494)
Effects of other rates/credits	(30,777)	(74,729)
Movement in unprovided deferred tax	(105,026)	(49,658)
Adjustment to prior period	-	9,680
Tax charge on profit on ordinary activities for year	-	6,688

Corporation tax is calculated at 20.5% (2014: 22%) of the estimated taxable profit for the year

The Group has a recognised deferred tax asset at 20% of £367,370 (2014: £367,559). There is £581,920 of unprovided deferred tax assets at 30 September 2015 (2014: £639,927).

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.

The 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

10 INTANGIBLE FIXED ASSETS

Group	Acquisition cost	Purchased intangibles £	Purchased goodwill £	Total intangibles £
Cost				
At 1 October 2014	688,166	1,260,324	18,529,058	20,477,548
Addition	-	-	89,464	89,464
At 30 September 2015	688,166	1,260,324	18,618,522	20,567,012
At 1 October 2013	688,166	1,260,324	18,549,657	20,498,147
Addition	-	-	32,170	32,170
Asset revaluation	-	-	(52,769)	(52,769)
At 30 September 2014	688,166	1,260,324	18,529,058	20,477,548
Amortisation and impairment				
At 1 October 2014	209,621	375,695	7,504,496	8,089,812
Amortisation	125,538	-	179,187	304,725
At 30 September 2015	335,159	375,695	7,683,683	8,394,537
At 1 October 2013	85,408	375,695	7,350,943	7,812,046
Amortisation	124,213	-	153,553	277,766
At 30 September 2014	209,621	375,695	7,504,496	8,089,812
Net book value				
At 30 September 2015	353,007	884,629	10,934,839	12,172,475
At 30 September 2014	478,545	884,629	11,024,562	12,387,736

On 22 October 2014 the Group acquired an additional 9% of the share capital of The Employee Benefits Corporation Limited, increasing the holding to 79.8% in total. The Group paid £20,000 for the shares.

In March 2013 the Group acquired the trade and certain assets and liabilities of Merchant House Financial Services Limited. The intangible asset element of the acquisition is comprised of customer rights and records and amortisation is calculated to write off the asset over its estimated useful economic life.

In 2012 the business provided funding to a group of appointed representatives in order to facilitate the recruitment of these firms into the networks,. The amortisation of this expenditure is calculated to write off the asset over its estimated useful economic life.

On 6 March 2006, the Group acquired the trade and certain assets and liabilities of Berkeley Independent Advisers Limited and Berry Birch & Noble Financial Planning Limited. The intangible assets element of the acquisition is comprised of the customer rights and records, and amortisation is provided at rates calculated to write off the cost of each asset over its estimated useful economic life.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

11 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold improvements £	Computer equipment £	Fixtures & fittings £	Assets under construction £	Total £
Cost					
At 1 October 2014	931,190	7,178,815	586,002	419,712	9,115,719
Additions	21,199	1,229,800	19,177	394,271	1,664,447
Transfer of Completed Assets	-	119,070	-	(119,070)	-
At 30 September 2015	952,389	8,527,685	605,179	694,913	10,780,166
At 1 October 2013	415,179	6,343,249	537,460	37,226	7,333,114
Additions	516,011	896,883	[illegible]	455,551	[illegible]
Acquisition of Subsidiary	-	(134,382)	(71,191)	-	(205,573)
Transfer of Completed Assets	-	73,065	-	(73,065)	-
At 30 September 2014	931,190	7,178,815	586,002	419,712	9,115,719
Depreciation					
At 1 October 2014	393,118	5,799,105	430,698	-	6,622,921
Charge for the year	72,224	820,962	53,211	-	946,397
At 30 September 2015	465,342	6,620,067	483,909	-	7,569,318
At 1 October 2013	374,812	5,060,773	436,475	-	5,872,060
Charge for the year	18,306	872,714	65,414	-	956,434
On disposals	-	(134,382)	(71,191)	-	(205,573)
At 30 September 2014	393,118	5,799,105	430,698	-	6,622,921
Net book value					
At 30 September 2015	487,047	1,907,618	121,270	694,913	3,210,848
At 30 September 2014	538,072	1,379,710	155,304	419,712	2,492,798

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

12 FIXED ASSET INVESTMENTS

Group

	£
Cost	
At 1 October 2014	52,980
At 30 September 2015	52,960
Impairment	
At 1 October 2014	52,960
Charge in year	20
At 30 September 2015	52,980
Net book value	
At 30 September 2015	-
At 30 September 2014	20

The company's fixed asset impairment at the year end relates to Ayrshire Financial Services Limited, as detailed below. The investments have not been accounted for under the equity method as the directors do not consider that they are an associated company, as the company does not hold any influence over the operating and financial policies of the investee entities.

	Country of incorporation	Principal activity	Holding
Ayrshire Financial Services Limited	England and Wales	Provision of financial advice	20%

Company

	£
Cost and net book value	
At 1 October 2014	39,213,353
Additions	-
Impairment	-
At 30 September 2015	39,213,353
At 1 October 2013	39,213,353
Additions	-
Impairment	-
At 30 September 2014	39,213,353

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

12 FIXED ASSET INVESTMENTS (CONTINUED)

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

Name	Country of incorporation	Principal activity	Holding
Tenet Business Solutions Limited	England and Wales	Marketing, employment and IT support to other Group companies	100%
Tenet Client Services Limited	England and Wales	Holding company	100%
Tenet Limited	England and Wales	Holding company	100%

Tenet Group Limited owns the whole of the issued share capital of all direct subsidiaries, which are as follows:

Name	Class	Number held
Tenet Business Solutions Limited	Ordinary of £1 each	2,712,416
Tenet Client Services Limited	Ordinary of £1 each	1,000,001
Tenet Limited	Ordinary of £1 each	21,250,156

The companies in which the company's indirect interest at the year end is more than 20% are as follows, these companies are wholly or majority owned by the subsidiary undertakings mentioned above:

Name	Country of incorporation	Principal activity	Holding
Aspire Financial Management Limited	England and Wales	Provision of financial advice	100%
Paragon Insurance Company Guernsey Limited	Guernsey (C.I.)	Insurance company	100%
Sinfonia Asset Management Limited	England and Wales	Administration services	100%
Living In Retirement Limited	England and Wales	Dormant	100%
TenetConnect Limited	England and Wales	FCA regulated network of IFAs	100%
TenetConnect Services Limited	England and Wales	FCA regulated network of IFAs	100%
TenetLime Limited	England and Wales	FCA regulated network of mortgage and general insurance brokers	100%
TenetFinancial Solutions Limited	England and Wales	Provision of financial advice	100%
TenetSelect Limited	England and Wales	Professional and administration services	100%
The Employee Benefits Corporation Limited	England and Wales	Provision of financial advice	79.8%
Tenet Valuation Services Limited	England and Wales	Dormant	100%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

12 FIXED ASSET INVESTMENTS (CONTINUED)

Tenet Group Limited direct subsidiaries own the whole of the issued share capital in the indirect subsidiaries below, except The Employee Benefits Corporation Limited which is 81.4% owned.

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
TenetConnect Limited	Ordinary of £1 each	1,542,416
TenetConnect Services Limited	Ordinary of £1 each	2,351,000
TenetLime Limited	Ordinary of £1 each	1,000,000
TenetFinancial Solutions Limited	Ordinary of £1 each	650,000
TenetSelect Limited	Ordinary of £1 each	961,000
The Employee Benefits Corporation Limited	Redeemable of £1 each & Ordinary of £1 each	1,700 418
Tenet Valuation Services Limited	Ordinary of £0.01 each	100,000,100

The companies in which the company's indirect interest at the year-end is less than or equal to 20% is as follows:

Name	Country of incorporation	Principal activity	Holding
Ayrshire Financial Services Limited	England and Wales	Provision of financial advice	20%

Tenet Group Limited direct subsidiaries own less than or equal to 20% of the issued share capital indirect interests as follows:

Name	Class	Number held
Ayrshire Financial Services Limited	Ordinary of £1 each	20

During the year, Tenet Group Limited provided a guarantee under section 479C of the Act with respect the financial year ending 30 September 2015 to the following subsidiaries:

Name	Company Number
Living In Retirement Limited	03702615
Tenet Valuation Services Limited	04351250
Tenet Client Services Limited	03307674
Tenet Limited	03865996

The abovementioned subsidiaries are included in the audited consolidated financial statements of Tenet Group Limited, and each respective subsidiary is exempt from the requirements of an audit of its individual financial statements in accordance with section 479A of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

13 TRADE AND OTHER RECEIVABLES

	Group		Company	
	30 September 2015 £	30 September 2014 £	30 September 2015 £	30 September 2014 £
Due within one year				
Trade receivables	10,764,141	11,101,842	-	-
Allowance for doubtful debt	(2,032,775)	(2,799,461)	-	-
Amounts owed by group companies	-	-	1,885,688	1,774,555
Other debtors	173,235	180,170	150,174	151,598
Prepayments and accrued income	1,558,281	1,568,352	-	-
Corporation tax	-	-	-	-
Deferred tax asset	367,370	367,559	-	-
	10,830,251	10,418,273	2,035,862	1,926,153

Included in trade receivables is £3,258,732 (2014: £3,818,353) that relates to amounts recoverable in relation to claims payable (see Notes 2, 3 and 16) and £649,221 (2014: £700,155) that relates to the provision of secured loans as part of the Group's ongoing support for its Appointed Representatives.

Included within the Group's trade receivable balance are debtors with a carrying amount of £92,117 (2014: £617,549) which are past due at the reporting date for which the Group 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 carrying value of these receivables past-due by less than three months is £51,689 (2014: £615,775), whilst £40,428 (2014: £1,774) of the receivables are past-due by more than three months.

Within the company's trade receivables balance there are no amounts which are past due at the reporting date (2014: £nil).

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

MOVEMENT IN THE ALLOWANCE FOR DOUBTFUL DEBTS	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Group		
Opening balance	2,799,461	3,778,164
Amounts owed by debtors resulting in movement in the provision	864,193	782,782
Amounts written off during the year	(395,283)	(494,120)
Amounts recovered during the year	(1,235,596)	(1,267,365)
Closing balance	2,032,775	2,799,461

14 CASH AND CASH EQUIVALENTS

Included within cash at bank and in hand is £7,837,512 (2014: £7,820,011) of short and medium-term fixed deposit investments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

15 TRADE AND OTHER PAYABLES

	Group		Company	
	30 September 2015 £	30 September 2014 £	30 September 2015 £	30 September 2014 £
Trade payables	8,793,082	6,857,917	-	-
Amounts owed to group companies	-	-	2,021,876	2,112,012
Other taxation and social security	203,256	193,593	-	-
Other creditors	1,539,853	1,400,752	-	-
Accruals and deferred income	927,655	1,544,127	-	-
	11,463,846	9,996,389	2,021,876	2,112,012

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

16 PROVISIONS FOR LIABILITIES

Group	Claims payable provision £	Commission clawback provision £	Total £
Group			
At 1 October 2014	7,080,105	1,011,629	8,091,734
Utilised in the year	(3,638,248)	(303,229)	(3,941,477)
Released in the year	(816,029)	(291,698)	(1,107,727)
Added in the year	4,155,061	352,347	4,507,408
At 30 September 2015	6,780,889	769,049	7,549,938

Claims payable provision

The claims payable provision is in respect of amounts that may be payable to the customers of certain Group companies following a review of the sales process of the individual cases involved. These amounts, if payable, will be paid by Paragon Insurance Company Guernsey Limited from existing cash resources or will be recovered from third party Professional Indemnity Insurers (as applicable) less a policy excess (see Notes 2, 3 and 13) and the policy excess is usually recovered from the Appointed Representative and/or financial adviser responsible for the individual case. Where the Appointed Representative is another Group company, TenetFinancial Solutions Limited, Aspire Financial Management Limited or The Employee Benefits Corporation Limited, the provision is related to the policy excess which would be payable to the network. In the case of Aspire Financial Management Limited the cost is recharged to the relevant financial adviser.

In the normal course of business and in common with the rest of the industry, the Group receives queries and complaints regarding the sale of regulated financial products.

Commission clawback provision

The provision for commission clawback in certain Group companies relates to commission receipts subsequently repaid should policies be cancelled after their sale. Except in relation to TenetFinancial Solutions Limited and The Employee Benefits Corporation Limited, who themselves are Appointed Representatives, Group companies recharge some or all of such amounts as applicable to the Appointed Representatives or financial advisers as applicable responsible for the individual case (see Notes 2, 3 and 13). The directors expect this provision to be utilised over the next 4 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

17 SHARE CAPITAL

	30 September 2015 £	30 September 2014 £
Authorised		
Equity Shares		
367,852,700 (2014: 367,852,700) 'A' Ordinary shares of £0.0001	36,785	36,785
250,000,000 (2014: 250,000,000) 'B' Ordinary shares of £0.0001	25,000	25,000
	61,785	61,785
Allotted, called up and fully paid		
Equity Shares		
15,215,669 (2014: 15,215,669) 'A' Ordinary shares of £0.0001	1,521	1,521
232,097,345 (2014: 232,097,345) 'B' Ordinary shares of £0.0001	23,210	23,210
	24,731	24,731

'A' Ordinary shares

The 'A' Ordinary shares are entitled to receive a dividend or a return of capital pari passu according to the number of shares held as if they constituted one class of shares with the 'B' Ordinary shares. The 'A' Ordinary shareholders are entitled to receive notice of and attend and speak at any general meeting of the company and have one vote per share held.

'B' Ordinary shares

The 'B' Ordinary shares are entitled to receive a dividend or a return of capital pari passu according to the number of shares held as if they constituted one class of share with the 'A' Ordinary shares. The 'B' Ordinary shareholders are entitled to receive notice of and attend and speak at any general meeting of the company and have one vote per share held.

An Investor Majority (comprising at least 60% by nominal value of the 'B' Ordinary shareholders) has additional rights regarding the transfer of shares and other shareholder matters as provided for in the company's Articles of Association.

Enterprise Management Incentive staff scheme and Unapproved Share Option Scheme

On 25 November 2002, the directors adopted the 'Tenet Limited Enterprise Management Incentive Plan' and 'Unapproved Share Option Scheme'. Under the plan, employees of Tenet Group Limited and its subsidiaries are eligible for options to purchase shares in the company to be granted to them. The directors determine the timing and price of the options and any conditions employees are required to fulfil to qualify.

The first exercise date is, in accordance with Rule 4 of the scheme rules, the earliest of: a listing date; an asset sale; during the month of November in any year following the expiry of 3 years from the date of the grant; or otherwise at the discretion of the Remuneration Committee.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

18 FINANCIAL COMMITMENTS

Operating lease commitments

Group

At the end of the financial year the Group had total commitments under non-cancellable operating leases as set out below:

	30 September 2015		30 September 2014	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases that expire:				
Within one year	246,954	282,202	210,188	229,257
In the second to fifth years inclusive	939,036	100,263	761,499	250,577
Over five years	745,024	-	1,026,198	-
	1,931,015	382,285	1,997,885	479,834

Company

The company has no operating lease commitments.

19 ANALYSIS OF NET FUNDS

	At beginning of year	Cashflow	At end of year
	£	£	£
Cash at bank and in hand	21,719,346	552,331	22,271,677
	21,719,346	552,331	22,271,677

20 HOLDING COMPANY INCOME STATEMENT

The consolidated income statement includes a loss of £965,156 (2014: loss of £1,401,609) which has been dealt with in the financial statements of the company. The company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income statement in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

21 TRANSACTIONS WITH RELATED PARTIES

Group

Details of transactions with key management personnel are included in Note 5. There were no other related party transactions during the financial year.

Company

There were no related party transactions during the year other than movements in balances between the company and its wholly owned subsidiaries ("Group Companies") as follows:

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Net amounts owed by Group Companies at start of financial year	(337,457)	428,359
Receipts from Group Companies	(5,876,208)	5,891,611
Payments to Group Companies	6,077,477	(6,657,427)
Net amounts owed by Group Companies at end of financial year	(136,188)	(337,457)

22 EVENTS AFTER THE BALANCE SHEET DATE

H Ball (nee: Turner) and G Harle were appointed to the board on the 08 December 2015. There have been no other events after the balance sheet date that have had a material financial impact on the Group or the company.

23 FINANCIAL INSTRUMENTS

Capital Risk Management

The Group manages its capital to ensure that entities in the Group are well capitalised whilst maximising its return on capital.

The board reviews both the Group and each Group company's capital position on a monthly basis taking into account each company's regulatory and operational requirements. Based on this review, the Group balances its overall capital structure through the payment of dividends and the investment in, or loans made to, subsidiary group companies.

The Financial Conduct Authority ("FCA") directly regulates some Group companies and receives information in respect of the financial resources of these Group companies on a quarterly basis. The FCA also supervises the Group as a whole and receives information upon the Group's overall capital position. The management of the capital of the regulated companies is closely monitored to ensure compliance with the requirements of the capital and expenditure based tests of the FCA.

The Group's capital strategy remains unchanged from the previous year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

23 FINANCIAL INSTRUMENTS (CONTINUED)

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 Group's financial instruments are categorised in the table below:

	30 September 2015 £	30 September 2014 £
Financial Assets		
Cash	22,271,677	21,719,346
Loans and receivables from trade customers	5,645,867	4,664,198
	27,917,544	26,383,544
Financial Liabilities		
Amounts owed to trade customers	10,333,989	8,259,407
	10,333,989	8,259,407

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

	30 September 2015 £	30 September 2014 £
Financial Assets		
Cash	40,582	1,224,399
Loans and receivables from group companies	1,885,688	1,774,555
Loans and receivables from trade customers	150,174	151,598
	2,076,444	3,150,552
Financial Liabilities		
Loans and amounts owed to group companies	2,021,876	2,112,012
	2,021,876	1,824,173

Financial assets equate to fair value as at 30 September 2015.

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 and trade receivables and other debtors from its Appointed Representatives/financial advisers. The Group's credit control function continually reviews outstanding client balances for recoverability and reports on these to management. These balances are then impaired where management's opinion is that the balance is not fully recoverable. Credit risk is mitigated by the fact that amounts owed by Appointed Representatives can be offset against amounts owed to the Appointed Representatives and company policy is to deal only with creditworthy counterparties. Trade receivables and other debtors from Appointed Representatives consist of a large number of customers and are spread across a diverse geographical area within the U.K. The company does not have any significant credit risk exposure to any single counterparty.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

23 FINANCIAL INSTRUMENTS (CONTINUED)

Credit Risk (continued)

The credit risk on receivables due from product providers is limited due to the FCA requirements on these companies to maintain a sufficient level of capital to meet their current liabilities. These receivables are due from a large number of product providers and are payable to the company within one month of the obligation arising.

Credit risk on cash balances is managed through the lodgement of such balances through a number of financial institutions.

The balances due from trade customers are comprised of trade receivables and other debtors (see Notes 2 and 13). The Group holds £150,000 of collateral over trade receivables (2014: £150,000).

The maximum Group exposure to credit risk at the reporting date was £27,810,475 (2014: £26,383,544). These balances are comprised of all financial assets.

The company's credit risk is almost entirely attributable to its cash balances and loan and receivables from other Group companies and the provision of secured loans as part of the Group's ongoing support for its Appointed Representatives.

The maximum exposure of the company to credit risk at the reporting date was £2,076,444 (2014: £3,150,552). These balances are comprised of all 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 Group's exposure to market risk arises solely in relation to interest rate fluctuations on the returns from its capital which is not hedged and a small number of loans made to Appointed Representatives. Group treasury policy is to maximise credit interest whilst maintaining sufficient liquidity within each group company in order to meet operational and regulatory requirements.

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 and interest bearing loans made to subsidiary companies.

The interest rate sensitivity analyses below are 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:

	30 September 2015 £	30 September 2014 £
Group		
0.50% increase	115,256	112,635
0.50% decrease	(115,256)	(112,635)
Company		
0.50% increase	953	6,872
0.50% decrease	(953)	(6,872)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

23 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity Risk

Liquidity risk is the risk of not being able to meet liabilities as they fall due. Each Group company is capitalised at a level required to meet its business and regulatory needs or alternatively, where required, has borrowing facilities available from its parent company. Responsibility for liquidity risk management rests with the Group'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 Group's board. Liquidity risk on financial liabilities is mitigated by the fact that a significant proportion of the financial liabilities only become payable upon receipt of trade receivables. All financial liabilities are payable within three months of the obligation arising.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

24 ANALYSIS OF CASHFLOWS

Group

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Cash flows from operating activities		
Profit on ordinary activities after taxation	471,952	348,726
Adjustments for:		
Taxation	-	6,688
Depreciation, amortisation and impairment charges	1,251,142	1,234,200
Decrease in provisions for liabilities	(803,833)	(3,616,583)
Interest receivable	(242,687)	(305,379)
Interest expense	1,106	8,245
Operating cash flows before movements in working capital	677,680	(2,324,103)
Decrease/(increase) in trade and other receivables	1,647,799	(1,131,308)
(Decrease)/increase in trade and other payables	(383,522)	2,908,495
Cash used in operations	1,941,957	(546,916)
Interest paid	(1,106)	(8,245)
Net cash generated by/(used in) operating activities	1,940,851	(555,161)
Investing activities		
Interest received	245,034	328,642
Cash advances and loans made to other parties	(373,270)	(509,386)
Repayments of cash advances and loans	424,163	846,136
Purchase of property, plant and equipment	(1,664,447)	(1,988,178)
Investment in subsidiary company	(20,000)	(5,311)
Net cash used in investing activities	(1,388,520)	(1,328,097)
Financing activities		
Net cash used in investing activities	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

24 ANALYSIS OF CASHFLOWS (CONTINUED)

Company

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Cash flows from operating activities		
Loss on ordinary activities after taxation	(983,972)	(1,401,609)
Adjustments for:		
Taxation	18,816	287,839
Interest receivable	(45,251)	(40,127)
Operating cash flows before movements in working capital	(1,010,407)	(1,153,897)
Increase in trade and other receivables	(109,709)	(278,626)
(Decrease)/increase in trade and other payables	(108,952)	756,602
Cash used in operations	(1,229,068)	(675,921)
Net cash used in operating activities	(1,229,068)	(675,921)
Investing activities		
Interest received	45,251	51,817
Net cash generated by investing activities	45,251	51,817
Financing activities		
Net cash used in financing activities	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 30 September 2015

25 NON CONTROLLING INTERESTS

On 22 October 2014 the Group acquired an additional 9% of the share capital of The Employee Benefits Corporation Limited, increasing the holding to 79.8% in total. The Group paid £20,000 for the shares.

The fair value consideration in relation to both acquisitions are detailed below:

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Adjustment for assets distributable to Non-Controlling Interests	(69,464)	(26,859)
Goodwill recognised	89,464	32,170
Goodwill revaluation	-	(52,769)
Total Consideration	20,000	(47,458)

	Year ended 30 September 2015 £	Year ended 30 September 2014 £
Cash	20,000	5,311
Assumed liabilities	-	(52,769)
Contingent consideration	-	-
Total Consideration	20,000	(47,458)