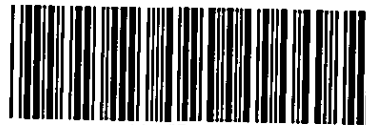


**COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED  
(FORMERLY PRIMARY PLUS LIMITED)**

**DIRECTORS' REPORT  
AND  
FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED  
31 DECEMBER 2011**

**TUESDAY**



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**COMPANIES HOUSE**

**Registered Number 04727097**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2011

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**DIRECTORS AND ADVISORS**

**Directors**

P J Cox	(appointed 18 October 2011)
A G Gourlay	(appointed 18 October 2011)
D G Lane	(appointed 18 October 2011)
A J Powell	(appointed 18 October 2011)
I B Balfour	(resigned 18 October 2011)
M A Donn	(resigned 18 October 2011)
C H Dix	(resigned 18 October 2011)
R L Groome	(resigned 18 October 2011)
C Waples	(resigned 18 October 2011)
R W Christie	(appointed 18 October 2011, resigned 18 October 2011)
N G B Parker	(appointed 18 October 2011, resigned 18 October 2011)
P J Sheldrake	(appointed 18 October 2011, resigned 18 October 2011)
S Sidhu	(appointed 18 October 2011, resigned 18 October 2011)
C A Reed	(resigned 30 June 2011)

**Company secretary and registered office**

Asset Management Solutions Limited  
3rd Floor  
46 Charles Street  
Cardiff  
CF10 2GE  
(appointed 18 October 2011)

M B Lewis (resigned 18 October 2011)

**Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Cardiff, UK  
CF10 5BT

**Solicitors**

Denton Wilde Sapte LLP  
One Fleet Place  
London  
EC4M 7WS

**Principal bankers**

Bank of Scotland Corporate  
New Ueberior House  
11 Earl Grey Street  
Edinburgh  
EH3 9BN

## DIRECTORS' REPORT

The Directors submit their Annual Report and the audited financial statements for the nine month period ended 31 December 2011

The Directors' report has been prepared in accordance with the special provisions relating to small companies under section 417 of the Companies Act 2006

## BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

On 18 October 2011, the Company was purchased by Community Solutions Investment Partners Limited (CSIP), who are a proven private sector community development partner. The principal activity of the Company is to provide management services to a number of companies which operate in the healthcare market under the Local Improvement Finance Trust ("LIFT") initiative

The core services of the Company are provided via Management Services Agreements (MSAs) to the LIFT Companies. Following the renegotiation of the MSAs with the six LIFT companies from 1 July 2010 and, with further stringent management of overhead costs, the Company has been able to generate an improved operating profit for the period

There have not been any significant changes in the Company's principal activities in the nine months under review. Significant structural changes in the primary care market, however, will necessitate a strategic review by the Company over the next twelve months to determine how best to respond to the changing marketplace with additional services

On 30 November 2011, the Company's name was changed from Primary Plus Limited to Community Solutions Partnership Services Limited. The Company also changed its accounting reference date from 31 March to 31 December

## GOING CONCERN

The Company has generated an operating profit for the period and the forecasts demonstrate that it is able to generate an ongoing operating profit, positive cash flow and has no additional funding requirements for the foreseeable future

Based on current and ongoing forecasts, the directors believe that the business is able to manage any business risks despite the current economic situation, and have the resources to operate in the foreseeable future, being a period of no less than twelve months from the date of approval of these accounts. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements

## RESULTS AND DIVIDENDS

The profit for the nine month period before taxation amounted to £291,457 (March 2011 - £148,879). After a taxation credit of £150,000 (March 2011 - £nil), the profit for the period was £441,457 (March 2011 - £148,879)

The Directors do not recommend the payment of a dividend (year ended March 2011 - £nil)

## INDEPENDENT AUDITOR AND DISCLOSURE OF INFORMATION TO THE INDEPENDENT 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 director is aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditor is aware, and
- Each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information 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 provision of section 418 of the Companies Act 2006

Deloitte LLP has expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

**DIRECTORS' REPORT (continued)**

**DIRECTORS**

The Directors who served throughout the period, except as noted, are shown on page 1

**EMPLOYEES**

Details of the number of employees and related costs can be found in note 5 to the financial statements on page 9

**AUDITOR**

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditor annually and Deloitte LLP will therefore continue in office

On behalf of the Board



A J Powell  
Director  
3<sup>rd</sup> May 2012

## **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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY SOLUTIONS PARTNERSHIP SERVICES LIMITED  
(FORMERLY PRIMARY PLUS LIMITED)**

We have audited the financial statements of Community Solutions Partnership Services Limited (formerly Primary Plus Limited) for the period ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of Directors and auditor**

As 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 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. 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 Company's affairs as at 31 December 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report.

*David Hedditch*

David Hedditch, (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Cardiff, United Kingdom  
10 May 2012

**PROFIT AND LOSS ACCOUNT**

**FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2011**

	Notes	Period from 1 April 2011 to 31 December 2011 £	1 April 2010 to 31 March 2011 £
Turnover	2	<b>2,659,049</b>	3,392,525
Cost of sales		<b>(658,387)</b>	(900,476)
<b>Gross profit</b>		<b>2,000,662</b>	2,492,049
Administrative expenses		<b>(1,716,451)</b>	(2,286,257)
<b>Operating profit</b>	3	<b>284,211</b>	205,792
<b>Profit on ordinary activities before interest</b>		<b>284,211</b>	205,792
Net interest receivable / (payable)	6	<b>7,246</b>	(56,913)
<b>Profit on ordinary activities before taxation</b>		<b>291,457</b>	148,879
Tax on profit on ordinary activities	7	<b>150,000</b>	-
<b>Profit for the financial period/year</b>	13 & 14	<b>441,457</b>	148,879

A reconciliation of movements in shareholder's funds / (deficit) is given in note 14

All items in the profit and loss account relate to continuing operations

There is no material difference between the results stated in the profit and loss account and their historical cost equivalents

All gains and losses are recognised in the profit and loss account in both the current period and preceding year, and therefore no separate statement of total recognised gains and losses has been presented



**BALANCE SHEET AS AT 31 DECEMBER 2011**

	Notes	31 December 2011 £	31 March 2011 £
<b>Current assets</b>			
Debtors - due within one year	8	608,125	569,784
- due after more than one year	8	2,041	15,866
Cash at bank and in hand		<u>883,342</u>	<u>649,911</u>
		<b>1,493,508</b>	<b>1,235,561</b>
<b>Current liabilities</b>			
<b>Creditors</b> amounts falling due within one year	9	<b>(905,736)</b>	<b>(1,057,105)</b>
<b>Net current assets</b>		<u><b>587,772</b></u>	<u><b>178,456</b></u>
<b>Total assets less current liabilities</b>		<b>587,772</b>	<b>178,456</b>
<b>Creditors</b> amounts falling due after more than one year	9	<b>(438,375)</b>	<b>(470,516)</b>
<b>Net assets / (liabilities)</b>		<u><b>149,397</b></u>	<u><b>(292,060)</b></u>
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Profit and loss account	13	<b>149,396</b>	<b>(292,061)</b>
<b>Shareholder's funds / (deficit)</b>	14	<u><b>149,397</b></u>	<u><b>(292,060)</b></u>

The financial statements of Community Solutions Partnership Services Limited (formerly Primary Plus Limited), registered number 04727097, were approved by the Board of Directors and authorised for issue on 3<sup>rd</sup> May 2012. They were signed on its behalf by

A J Powell  
Director  
3<sup>rd</sup> May 2012

Notes to the financial statements for the nine month period ended 31 December 2011

**1 ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in both the current period and prior year, dealing with items which are considered material in relation to the Company's financial statements

The Company has generated an operating profit for the period and the forecasts demonstrate that it is able to generate an ongoing operating profit, positive cashflow and has no additional funding requirements for the foreseeable future

Based upon current and ongoing forecasts, the Directors believe that the business is able to manage any business risks despite the current economic situation and have the resources to operate in the foreseeable future, being a period of no less than twelve months from the date of approval of these accounts. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards

The Company is exempt under FRS 1 from preparing a cash flow statement on the basis that it qualifies as a small company

b) Turnover

Turnover is net of VAT, arises in the United Kingdom and consists of the following

Amounts receivable from the provision of management services together with amounts receivable on financial closure of LIFT schemes

Capital works income recognition is based upon project accounting determined by the value of completed work

Income from the sub leasing of pharmacies to third party tenants

c) Taxation

Current tax, including United Kingdom Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

In accordance with FRS19 'Deferred Tax', deferred taxation 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 measured at the average tax rates that are expected to apply in the year in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not discounted

d) Operating Leases

Rental costs incurred and rentals received under operating leases, are recognised in the profit and loss account on a straight line basis over the life of the lease

Notes to the financial statements for the nine month period ended 31 December 2011 (continued)

2 TURNOVER

	Period from 1 April 2011 to 31 December 2011 £	1 April 2010 to 31 March 2011 £
Turnover in the period is analysed as follows		
Management services and project management	1,617,255	2,322,549
Capital works	629,110	844,968
Third party income	79,465	107,549
Recovery of costs	333,219	117,459
	<u>2,659,049</u>	<u>3,392,525</u>

3 OPERATING PROFIT

	Period from 1 April 2011 to 31 December 2011 £	1 April 2010 to 31 March 2011 £
Operating profit is stated after charging		
Fees payable to the company's auditors for the audit of the company's annual financial statements	5,595	12,000
Fees payable to the company's auditors for the audit of 3rd party companies' annual financial statements under MSAs	98,005	71,335
Operating lease rentals for land and buildings	674,626	821,364
Depreciation	-	607
Provision for impairment of asset	-	12,840
	<u>-</u>	<u>12,840</u>

4 DIRECTORS' REMUNERATION

In the prior year and until 18 October 2011, all the Directors were seconded from a former group company. On this date, one secondee became a Director of the Company and the total remuneration for this Director for this period was £21,728. The Directors are shown on page 1.

5 STAFF NUMBERS AND REMUNERATION

In the prior year and until 18 October 2011, all the employees were seconded from a former group company. On this date, these secondees became employees of the Company. The average number of employees for the nine month period was 4 (year ended March 2011: nil); the average number of employees, including directors, for the period following 18 October was 21.

	Period from 1 April 2011 to 31 December 2011 £	1 April 2010 to 31 March 2011 £
Their aggregate remuneration comprised -		
Wages and salaries	222,908	-
Social security costs	16,620	-
Other pension costs	12,933	-
	<u>252,461</u>	<u>-</u>

Notes to the financial statements for the nine month period ended 31 December 2011 (continued)

**6 NET INTEREST RECEIVABLE / (PAYABLE)**

	Period from 1 April 2011 to 31 December 2011 £	1 April 2010 to 31 March 2011 £
<b>Interest receivable and similar income</b>		
Interest receivable on bank deposits	1,648	697
Interest receivable - other	5,598	2,372
	<u>7,246</u>	<u>3,069</u>
<b>Interest payable and similar charges</b>		
Interest payable to parent undertakings	-	(58,953)
Finance charges payable in respect of finance leases and hire purchase contracts	-	(1,029)
	-	<u>(59,982)</u>
<b>Net interest receivable / (payable)</b>	<u>7,246</u>	<u>(56,913)</u>

**7 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2011 £	2011 £
<u>Analysis of tax credit for the year</u>		
<b>Deferred tax</b>		
Origination and reversal of timing differences	150,000	-
<b>Total deferred tax</b>	<u>150,000</u>	<u>-</u>
<b>Total tax credit on profit on ordinary activities</b>	<u>150,000</u>	<u>-</u>

*Factors affecting tax for the period/year*

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows

	Period from 1 April 2011 to 31 December 2011 £	1 April 2010 to 31 March 2011 £
Profit on ordinary activities before taxation	291,457	148,879
multiplied by the standard rate of corporation tax in the UK of 26% (year ended March 2011 - 28%)	(75,779)	(41,686)
<b>Effects of</b>		
Expenses not deductible for tax purposes	-	(22,590)
Non taxable income	2,772	-
Origination and reversal of timing differences	-	(457)
Fixed asset timing differences	(848)	3,170
Utilisation of tax losses	73,855	61,563
<b>Total current tax for the period/year</b>	<u>-</u>	<u>-</u>

A deferred tax asset of £852,538 arising from excess losses and depreciation in excess of capital allowances has not been recognised (year ended March 2011 revised £1,117,487). The deferred tax asset is not provided for as there is uncertainty over the timing of taxable profits in the future, against which the asset may be utilised.

On 19 July 2011, it was substantively enacted that the main rate of Corporation Tax would reduce to 25% with effect from 1 April 2012 with subsequent 1% reductions per annum to reach 23% with effect from 1 April 2014.

Notes to the financial statements for the nine month period ended 31 December 2011 (continued)

8 DEBTORS

	31 December 2011 £	31 March 2011 £
<b>Due within one year</b>		
Trade debtors	376,972	7,872
Amounts owed by group undertaking	-	434,836
Other debtors	-	35,000
Deferred tax asset	150,000	-
Prepayments and accrued income	81,153	92,276
	<u>608,125</u>	<u>569,784</u>
<b>Due after more than one year</b>		
Prepayments and accrued income	2,041	15,866
	<u>2,041</u>	<u>15,866</u>

9 CREDITORS

	31 December 2011 £	31 March 2011 £
<b>Amounts falling due within one year</b>		
Amounts owed to group undertaking	164,441	22,368
Trade creditors	133,981	212,838
Other taxation and social security	106,810	18,623
Other creditors	8,830	23,636
Accruals and deferred income	491,674	779,640
	<u>905,736</u>	<u>1,057,105</u>
<b>Amounts falling due after more than one year</b>		
Accruals and deferred income	438,375	470,516
	<u>438,375</u>	<u>470,516</u>

10 DEFERRED TAX

	Provided 31 December 2011 £	Unprovided 31 December 2011 £	Provided 31 March 2011 £	Unprovided 31 March 2011 £
The deferred tax asset comprises				
Decelerated capital allowances	-	9,615	-	11,773
Short term timing differences	-	1,156	-	422
Tax losses	150,000	841,767	-	1,105,292
	<u>150,000</u>	<u>852,538</u>	-	<u>1,117,487</u>
			9 months to 31 December 2011	12 months to 31 March 2011
Deferred tax asset recognised				
1 April			-	-
Current year deferred tax credit			150,000	-
31 December			<u>150,000</u>	<u>-</u>

A deferred tax asset of £852,538 (March 2011 revised £1,117,487) has not been recognised on the balance sheet as there is insufficient certainty that it will be utilised within the foreseeable future

11 CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND OPERATING LEASE COMMITMENTS

Capital commitments

At 31 December 2011 the Company had no capital commitments (March 2011 - £nil)

Contingent Liabilities

There were no known contingent liabilities at 31 December 2011 nor at 31 March 2011 which required disclosure

At 31 December 2011 the Company was committed to annual commitments for land and buildings under non-cancellable operating leases as follows

	31 December 2011 £	31 March 2011 £
Less than one year	34,190	-
Between 2 to 5 years	742,528	726,528
More than 5 years	86,286	86,286
	<u>863,004</u>	<u>812,814</u>

Notes to the financial statements for the nine month period ended 31 December 2011 (continued)

12 CALLED UP SHARE CAPITAL

	31 December 2011 £	31 March 2011 £
Allotted, called up and fully paid Ordinary share of £1 each	<u>1</u>	<u>1</u>

13 MOVEMENT IN RESERVES

	Profit and loss account 31 December £
At 1 April 2011	(292 061)
Profit for the financial period	441,457
At 31 December 2011	<u>149,396</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS / (DEFICIT)

	31 December 2011 £	31 March 2011 £
Waiver of shareholder debt	-	6 508 361
Profit for the financial period/year	441,457	148,879
Net reduction in shareholder's funds / (deficit)	<u>441,457</u>	<u>6 657 240</u>
Opening shareholder's deficit	(292,060)	(6 949,300)
Closing shareholder's funds / (deficit)	<u>149,397</u>	<u>(292 060)</u>

15 TRANSACTIONS WITH RELATED PARTIES

As a 100% subsidiary of Community Solutions Investment Partners Limited the Company has taken advantage of the exemption under FRS 8 not to provide information on related party transactions with other undertakings within the Community Solutions Investment Partners Limited group. Note 16 gives details of how to obtain a copy of the published financial statements of Community Solutions Investment Partners Limited.

16 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is Community Solutions Investment Partners Limited a company incorporated in Great Britain.

The Company's ultimate parent and controlling party, and the largest and smallest group in which its results are consolidated is Community Solutions Investment Partners Limited a company incorporated in Great Britain and registered in England and Wales. Community Solutions Investment Partners Limited is jointly owned by Barclays European Infrastructure Fund II LP and Morgan Sindall Investments (NHS Lift) Limited. The directors are of the opinion that there is no ultimate controlling party.