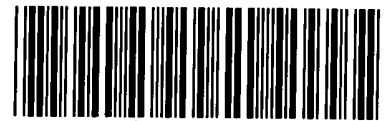


REGISTERED NUMBER: 06563486 (England and Wales)

**PARTNERING HEALTH LIMITED  
GROUP STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

TUESDAY



\*A6FSKWS8\*

A29

26/09/2017

#256

COMPANIES HOUSE

Rothmans Audit LLP  
Statutory Auditors  
Chartered Accountants  
Fryern House  
125 Winchester Road  
Chandlers Ford  
Hampshire  
SO53 2DR

**PARTNERING HEALTH LIMITED**  
**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Consolidated Income Statement</b>	<b>7</b>
<b>Consolidated Other Comprehensive Income</b>	<b>8</b>
<b>Consolidated Balance Sheet</b>	<b>9</b>
<b>Company Balance Sheet</b>	<b>10</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>11</b>
<b>Company Statement of Changes in Equity</b>	<b>12</b>
<b>Consolidated Cash Flow Statement</b>	<b>13</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>14</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>15</b>
<b>Reconciliation of Equity</b>	<b>25</b>
<b>Reconciliation of Loss</b>	<b>27</b>

---

**PARTNERING HEALTH LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

**DIRECTORS:**

S G Minion  
A J Walters  
Dr T S Wright

**SECRETARY:**

Miss K E Minion

**REGISTERED OFFICE:**

Unit 1, Barnes Wallis Court  
Wellington Road  
Cressex Business Park  
High Wycombe  
Buckinghamshire  
HP12 3PS

**REGISTERED NUMBER:**

06563486 (England and Wales)

**AUDITORS:**

Rothmans Audit LLP  
Statutory Auditors  
Chartered Accountants  
Fryern House  
125 Winchester Road  
Chandlers Ford  
Hampshire  
SO53 2DR

**PARTNERING HEALTH LIMITED**  
**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

The directors present their strategic report of the company and the group for the year ended 30 September 2016.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company and the group are as shown in the annexed financial statements.

The key financial highlights are as follows:

Revenue growth and reduction in operating loss

Revenues increased by 6% to £12,184,009 (2015: £11,531,245)  
Operating loss of £146,011 (2015: operating loss £564,446)

As part of the PHL Group's ambition to establish itself in the market for delivery of urgent and primary care across Hampshire, the Group has embarked on an acquisition agenda with the purchase of Best Practice (South of England) Limited in August 2015 and the acquisition of a GP practice in Portsmouth from April 2016. This has resulted in the revenue growth seen. Tighter control over costs have led to a reduction in operating loss.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The group's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs.

The group's principal financial instruments comprise trade debtors, trade creditors, bank balances and hire purchase agreements. The risks applicable to the financial instruments are managed by the group.

Liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

The group's hire purchase debt is managed by ensuring there are sufficient funds to meet the payments as they fall due.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and regular monitoring of both amounts outstanding and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

**PARTNERING HEALTH LIMITED**  
**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

**FUTURE DEVELOPMENTS**

PHL continues to be an intrinsic part of the NHS in Southern England. Partnering with other healthcare providers in the region has consolidated the group's position and is allowing PHL to provide innovative healthcare solutions to the NHS on a long term basis.

Care Quality Commission (CQC) inspections for all of the group's operations have always been rated "Good". The group aspires to provide high quality healthcare whilst offering good value to the NHS.

The next 12 months' objectives are focussed on developing our solutions and stability, in order that we are positioned to obtain additional contracts for delivery of urgent care services in the South of England, and further expand our offering.

To achieve this, we will use a 5-point strategic plan, which focuses on:

1. Ensuring that our people are offered an environment to work within, where they feel valued and can achieve their values, goals and ambitions.
2. Maintaining and improving quality by developing our integrated governance approach across all business areas.
3. Maintaining and improving performance by using innovative methods and developing our performance monitoring structure.
4. Having a structured and robust business planning method and monitoring system.
5. Delivering continued efficiencies to ensure we provide value for money solutions to customers and the tax-payer.

**ON BEHALF OF THE BOARD:**

  
S G Minion, Director

Date:

22/9/2017

**PARTNERING HEALTH LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2016.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 September 2016.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 October 2015 to the date of this report.

S G Minion  
A J Walters  
Dr T S Wright

Other changes in directors holding office are as follows:

L F Hasell ceased to be a director after 30 September 2016 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group for that period. 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Rothmans Audit LLP, were appointed during the period. They will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



S G Minion - Director

Date:

22/9/2017

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PARTNERING HEALTH LIMITED

---

We have audited the financial statements of Partnering Health Limited for the year ended 30 September 2016 on pages seven to twenty seven. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 Group Strategic Report and the Report of the Directors 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 2016 and of the group's loss for the year 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
PARTNERING HEALTH LIMITED**

---

**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.

**Other matters**

In the previous accounting period the directors of the company took advantage of the audit exemption under 477 of the Companies Act 2006. Therefore the prior period statements were not subject to audit.

*Rothmans Audit LLP*

Robin Lloyd FCA (Senior Statutory Auditor)  
for and on behalf of Rothmans Audit LLP  
Statutory Auditors  
Chartered Accountants  
Fryern House  
125 Winchester Road  
Chandlers Ford  
Hampshire  
SO53 2DR

Date: *25th September 2017.*



**PARTNERING HEALTH LIMITED**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Notes	2016 £	2015 as restated £
<b>TURNOVER</b>	3	<b>12,184,009</b>	11,531,245
Cost of sales		<u>(8,265,726)</u>	<u>(10,237,590)</u>
<b>GROSS PROFIT</b>		<b>3,918,283</b>	1,293,655
Administrative expenses		(3,888,064)	(1,862,043)
Depreciation and amortisation		(216,230)	(33,438)
Other operating income		40,000	37,380
Operating expenses		<u>(4,064,294)</u>	<u>(1,858,101)</u>
<b>OPERATING LOSS</b>	5	<b>(146,011)</b>	(564,446)
Interest payable and similar charges	6	<u>(1,730)</u>	<u>(1,244)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(147,741)</b>	(565,690)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(147,741)</b>	(565,690)
Depreciation and amortisation		216,230	33,438
<b>ADJUSTED PROFIT/(LOSS) BEFORE TAXATION</b>		<b>68,489</b>	(532,252)
Tax on loss on ordinary activities	7	<u>(11,721)</u>	<u>(33,383)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b><u>(159,462)</u></b>	<b><u>(532,307)</u></b>
Loss attributable to: Owners of the parent		<u><b>(159,462)</b></u>	<u><b>(532,307)</b></u>

The notes form part of these financial statements

**PARTNERING HEALTH LIMITED**

**CONSOLIDATED OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

		<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>£</b>	<b>as restated £</b>
<b>LOSS FOR THE YEAR</b>		<b>(159,462)</b>	<b>(532,307)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<b><u>(532,307)</u></b>
Prior year adjustment	Note 9	<b><u>(345,393)</u></b>	
<b>TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT</b>		<b><u>(504,855)</u></b>	

<b>TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR</b>	<b><u>(159,462)</u></b>	<b><u>(532,307)</u></b>
Total comprehensive loss attributable to: Owners of the parent	<b><u>(159,462)</u></b>	<b><u>(532,307)</u></b>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET**  
**30 SEPTEMBER 2016**

		2016		2015 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10		1,182,644		1,316,528
Tangible assets	11		177,532		211,779
Investments	12		-		-
			<u>1,360,176</u>		<u>1,528,307</u>
<b>CURRENT ASSETS</b>					
Debtors	13	2,045,728		2,264,366	
Cash at bank and in hand		<u>471,428</u>		<u>680,589</u>	
		2,517,156		2,944,955	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>4,251,035</u>		<u>4,687,503</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,733,879)</u>		<u>(1,742,548)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(373,703)</u>		<u>(214,241)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		80,000		80,000
Retained earnings	18		<u>(453,703)</u>		<u>(294,241)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(373,703)</u>		<u>(214,241)</u>

The financial statements were approved by the Board of Directors on its behalf by:

22/9/2017

and were signed on

S G Minion - Director

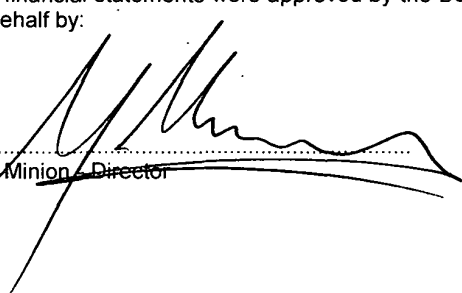
The notes form part of these financial statements

PARTNERING HEALTH LIMITED (REGISTERED NUMBER: 06563486)

COMPANY BALANCE SHEET  
30 SEPTEMBER 2016

		2016	2015 as restated
	Notes	£	£
<b>FIXED ASSETS</b>			
Intangible assets	10	-	-
Tangible assets	11	50,813	21,312
Investments	12	3	2
		<u>50,816</u>	<u>21,314</u>
<b>CURRENT ASSETS</b>			
Debtors	13	1,858,459	2,024,484
Cash at bank and in hand		<u>78,738</u>	<u>594,899</u>
		1,937,197	2,619,383
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>2,499,715</u>	<u>2,777,234</u>
<b>NET CURRENT LIABILITIES</b>		<u>(562,518)</u>	<u>(157,851)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(511,702)</u>	<u>(136,537)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	80,000	80,000
Retained earnings	18	<u>(591,702)</u>	<u>(216,537)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(511,702)</u>	<u>(136,537)</u>

The financial statements were approved by the Board of Directors on 22/9/2017 and were signed on its behalf by:

  
S G Minion, Director

The notes form part of these financial statements

**PARTNERING HEALTH LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 October 2014</b>	30,000	238,066	268,066
<b>Changes in equity</b>			
Issue of share capital	50,000	-	50,000
Total comprehensive income	<u>-</u>	<u>(186,914)</u>	<u>(186,914)</u>
<b>Balance at 30 September 2015</b>	<u>80,000</u>	<u>51,152</u>	<u>131,152</u>
Prior year adjustment	<u>-</u>	<u>(345,393)</u>	<u>(345,393)</u>
As restated	<u>80,000</u>	<u>(294,241)</u>	<u>(214,241)</u>
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>(159,462)</u>	<u>(159,462)</u>
<b>Balance at 30 September 2016</b>	<u><u>80,000</u></u>	<u><u>(453,703)</u></u>	<u><u>(373,703)</u></u>

The notes form part of these financial statements

**PARTNERING HEALTH LIMITED**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 October 2014</b>	30,000	238,066	268,066
<b>Changes in equity</b>			
Issue of share capital	50,000	-	50,000
Total comprehensive income	-	(109,210)	(109,210)
<b>Balance at 30 September 2015</b>	<u>80,000</u>	<u>128,856</u>	<u>208,856</u>
Prior year adjustment	-	(345,393)	(345,393)
As restated	<u>80,000</u>	<u>(216,537)</u>	<u>(136,537)</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(375,165)	(375,165)
<b>Balance at 30 September 2016</b>	<u><u>80,000</u></u>	<u><u>(591,702)</u></u>	<u><u>(511,702)</u></u>

The notes form part of these financial statements

**PARTNERING HEALTH LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

		2016	2015
	Notes	£	as restated £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(128,711)	435,422
Interest element of hire purchase payments paid		<u>(1,730)</u>	<u>(1,244)</u>
Net cash from operating activities		<u>(130,441)</u>	<u>434,178</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(48,099)	(18,983)
Acquisition of subsidiary undertaking		<u>-</u>	<u>7,231</u>
Net cash from investing activities		<u>(48,099)</u>	<u>(11,752)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(30,621)	(12,131)
Share issue		<u>-</u>	<u>50,000</u>
Net cash from financing activities		<u>(30,621)</u>	<u>37,869</u>
 (Decrease)/increase in cash and cash equivalents		 (209,161)	 460,295
Cash and cash equivalents at beginning of year	-2	<u>680,589</u>	<u>220,294</u>
Cash and cash equivalents at end of year	2	<u><u>471,428</u></u>	<u><u>680,589</u></u>

The notes form part of these financial statements

**PARTNERING HEALTH LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>as restated £</b>
Loss before taxation	<b>(147,741)</b>	<b>(565,690)</b>
Depreciation charges	<b>216,231</b>	<b>11,124</b>
Finance costs	<b>1,730</b>	<b>1,244</b>
	<b>70,220</b>	<b>(553,322)</b>
Decrease/(increase) in trade and other debtors	<b>206,843</b>	<b>(434,202)</b>
(Decrease)/increase in trade and other creditors	<b>(405,774)</b>	<b>1,422,946</b>
<b>Cash generated from operations</b>	<b><u>(128,711)</u></b>	<b><u>435,422</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 September 2016**

	<b>30/9/16</b>	<b>1/10/15</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b><u>471,428</u></b>	<b><u>680,589</u></b>

**Year ended 30 September 2015**

	<b>30/9/15</b>	<b>1/10/14</b>
	<b>as restated £</b>	<b>£</b>
Cash and cash equivalents	<b><u>680,589</u></b>	<b><u>220,294</u></b>

The notes form part of these financial statements



## PARTNERING HEALTH LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

---

#### 1. COMPANY INFORMATION

Partnering Health Limited was incorporated on 11 April 2008 under Companies Act 2006, as a private limited company and is registered in England and Wales. The principal activity of Partnering Limited is the provision of services in the healthcare sector. The address of its registered office is Unit 1, Barnes Wallis Court, Wellington Road, High Wycombe, HP12 3PS.

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

This is the first year in which financial statements have been prepared under FRS102. The date of transition is 1 October 2014.

The transition to FRS102 did not result in changes to any accounting policies used previously.

The presentational currency is £ sterling.

##### **Financial reporting standard 102 - reduced disclosure exemptions**

The parent company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- o the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- o the requirements of Section 7 Statement of Cash Flows;
- o the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- o the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- o the requirement of Section 33 Related Party Disclosures paragraph 33.7.

##### **Basis of consolidation**

The consolidated financial statements incorporate the results of Partnering Health Limited and all of its subsidiary undertakings as at 30 September 2016 using the acquisition method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

**PARTNERING HEALTH LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

---

**2. ACCOUNTING POLICIES - continued**

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Leases**

A lease that does not transfer substantially all of the risks and rewards of ownership is classified as an operating lease and is therefore not included in the statement of financial position.

**Intangibles and goodwill**

On acquisition, the directors use their judgement to determine the fair value of any intangibles to recognise separately from goodwill. This is based on their knowledge and experience in the sector.

**Other key sources of estimation uncertainty**

**Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.

**Useful life of goodwill**

A reliable estimate is made of goodwill arising on acquisitions. The estimate is based on the directors knowledge of the underlying company and sector.

**Turnover**

Turnover represents net sales during the year adjusted for accrued and deferred income where applicable.

Turnover relates to the provision of healthcare services. Revenue is recognised on provision of the service.

**Goodwill**

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life of 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

**Tangible fixed assets**

Tangible fixed assets are initially stated at historical cost less accumulated depreciation.

**Depreciation**

Depreciation on assets is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Fixtures and fittings	- Four to seven years
Computers equipment	- Four to five years
Medical equipment	- Five years

**Investments**

Investments are held at cost.

PARTNERING HEALTH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2016

---

2. **ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the income statement over the estimated useful economic life of the asset.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the income statement over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the income statement on a straight line basis over the term of the lease.

**Pension costs and other post-retirement benefits**

The Group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

**Finance costs**

Finance costs are charged to the income statement over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**Joint ventures**

Jointly controlled operations involves the shared use of resources. In respect of its interests in jointly controlled operations, the company recognises the expenses that it incurs and its share of the income that it earns from the services provided by the joint venture.

Jointly controlled assets involves the joint control of assets acquired for the purposes of the joint ventures. In respect of its interests in jointly controlled assets, the company recognises its share of the jointly controlled assets, any expenses it has incurred, any hire purchase liabilities and its share of the income earned from its use of jointly controlled assets.

**Going concern**

The group is reliant on the continued support of its major creditor, and shareholder, Ashley House plc. Ashley House have confirmed their continuing support for a period of at least 12 months from the date of signing the accounts. The directors have therefore prepared the accounts on the going concern basis.

3. **TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the group.

**PARTNERING HEALTH LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**4. STAFF COSTS**

	<b>2016</b>	2015 as restated
	£	£
Wages and salaries	<b>2,714,805</b>	1,273,724
Social security costs	<b>220,234</b>	68,613
Other pension costs	<b>147,220</b>	82,190
	<b><u>3,082,259</u></b>	<b><u>1,424,527</u></b>

The average monthly number of employees during the year was as follows:

	<b>2016</b>	2015 as restated
Clinical	<b>21</b>	9
Non-clinical	<b>144</b>	126
	<b><u>165</u></b>	<b><u>135</u></b>

**5. OPERATING LOSS**

The operating loss is stated after charging:

	<b>2016</b>	2015 as restated
	£	£
Hire of plant and machinery	<b>10,741</b>	-
Depreciation - owned assets	<b>33,567</b>	11,124
Depreciation - assets on hire purchase contracts	<b>48,779</b>	-
Goodwill amortisation	<b>133,884</b>	22,314
Auditors remuneration	<b>17,550</b>	-
	<b><u>159,917</u></b>	<b><u>130,167</u></b>

Directors fees of £10,800 were also paid to Ashley House Plc, in respect of services provided by Mr A Walters (2015: £10,800).

In the prior year, directors fees of £5,850 were also paid to Ashley House Plc in respect of services provided by Mr S Minion.

Key management personnel remuneration, including directors, totalled £162,167 (2015: £139,167).

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2016</b>	2015 as restated
	£	£
Hire purchase and finance lease charges	<b>1,730</b>	1,244
	<b><u>1,730</u></b>	<b><u>1,244</u></b>

**PARTNERING HEALTH LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**7. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the loss on ordinary activities for the year was as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>as restated £</b>
Current tax:		
UK corporation tax	-	(33,383)
Over/under provision in prior year	<u>11,721</u>	<u>-</u>
 Tax on loss on ordinary activities	 <u>11,721</u>	 <u>(33,383)</u>

**Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>as restated £</b>
Loss on ordinary activities before tax	<u>(147,741)</u>	<u>(565,690)</u>
 Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	 (29,548)	 (113,138)
Effects of:		
Utilisation of tax losses	29,548	79,755
Adjustments to tax charge in respect of previous periods	<u>11,721</u>	<u>-</u>
 Total tax charge/(credit)	 <u>11,721</u>	 <u>(33,383)</u>

**8. LOSS OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(375,165) (2015: £(454,603)).

**9. PRIOR YEAR ADJUSTMENT**

Following a review of the opening balances, the following adjustments were identified and processed:

1) Rent of £27,300 relating to the financial year ended 30 September 2015 had not been accrued in the opening balances. This has been adjusted and has resulted in an increase in the current year profit of £27,300 and a reduction in the opening reserves of £27,300.

2) Purchases relating to the financial year ended 30 September 2015 had not been accrued in the opening balances. This has been adjusted and has resulted in an increase in the current year profit of £190,529 and a reduction in the opening reserves of £190,529.

3) Accruals as at 30 September 2015 were understated by £127,564 due to a prior period adjustment. This has been adjusted and has resulted in an increase in the current year profit of £127,564 and a reduction in the opening reserves of £127,564.

**PARTNERING HEALTH LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**10. INTANGIBLE FIXED ASSETS**

**Group**

	<b>Goodwill £</b>
<b>COST</b>	
At 1 October 2015	
and 30 September 2016	<u><b>1,372,974</b></u>
<b>AMORTISATION</b>	
At 1 October 2015	<b>56,446</b>
Amortisation for year	<u><b>133,884</b></u>
At 30 September 2016	<u><b>190,330</b></u>
<b>NET BOOK VALUE</b>	
At 30 September 2016	<u><b>1,182,644</b></u>
At 30 September 2015	<u><b>1,316,528</b></u>

**Company**

	<b>Goodwill £</b>
<b>COST</b>	
At 1 October 2015	
and 30 September 2016	<u><b>34,132</b></u>
<b>AMORTISATION</b>	
At 1 October 2015	
and 30 September 2016	<u><b>34,132</b></u>
<b>NET BOOK VALUE</b>	
At 30 September 2016	<u><b>-</b></u>
At 30 September 2015	<u><b>-</b></u>

**11. TANGIBLE FIXED ASSETS**

**Group**

	<b>Fixtures and fittings £</b>	<b>Medical equipment £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>				
At 1 October 2015	<b>61,331</b>	<b>129,050</b>	<b>32,156</b>	<b>222,537</b>
Additions	<u><b>926</b></u>	<u><b>840</b></u>	<u><b>46,333</b></u>	<u><b>48,099</b></u>
At 30 September 2016	<u><b>62,257</b></u>	<u><b>129,890</b></u>	<u><b>78,489</b></u>	<u><b>270,636</b></u>
<b>DEPRECIATION</b>				
At 1 October 2015	<b>1,592</b>	<b>4,769</b>	<b>4,397</b>	<b>10,758</b>
Charge for year	<u><b>9,628</b></u>	<u><b>52,302</b></u>	<u><b>20,416</b></u>	<u><b>82,346</b></u>
At 30 September 2016	<u><b>11,220</b></u>	<u><b>57,071</b></u>	<u><b>24,813</b></u>	<u><b>93,104</b></u>
<b>NET BOOK VALUE</b>				
At 30 September 2016	<u><b>51,037</b></u>	<u><b>72,819</b></u>	<u><b>53,676</b></u>	<u><b>177,532</b></u>
At 30 September 2015	<u><b>59,739</b></u>	<u><b>124,281</b></u>	<u><b>27,759</b></u>	<u><b>211,779</b></u>

**PARTNERING HEALTH LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**11. TANGIBLE FIXED ASSETS - continued**

**Group**

The net book value of tangible fixed assets includes £12,610 (2015: £143,183) in respect of assets held under hire purchase contracts.

**Company**

	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 October 2015	-	24,887	24,887
Additions	<u>926</u>	<u>44,038</u>	<u>44,964</u>
At 30 September 2016	<u>926</u>	<u>68,925</u>	<u>69,851</u>
<b>DEPRECIATION</b>			
At 1 October 2015	-	3,575	3,575
Charge for year	<u>76</u>	<u>15,387</u>	<u>15,463</u>
At 30 September 2016	<u>76</u>	<u>18,962</u>	<u>19,038</u>
<b>NET BOOK VALUE</b>			
At 30 September 2016	<u>850</u>	<u>49,963</u>	<u>50,813</u>
At 30 September 2015	<u>-</u>	<u>21,312</u>	<u>21,312</u>

**12. FIXED ASSET INVESTMENTS**

**Company**

	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1 October 2015	2
Additions	<u>1</u>
At 30 September 2016	<u>3</u>
<b>NET BOOK VALUE</b>	
At 30 September 2016	<u>3</u>
At 30 September 2015	<u>2</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**PHL Out of Hours Limited**

Nature of business: Deliver GP Primary Medical out of Hours Services

Class of shares:	% holding
Ordinary	100.00

**PARTNERING HEALTH LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**12. FIXED ASSET INVESTMENTS - continued**

**PHL Primary Care Limited**

Nature of business: Medical practice activities

Class of shares:	%
Ordinary	holding 100.00

**Best Practice (South of England) Limited**

Nature of business: Private Healthcare services

Class of shares:	%
Ordinary	holding 100.00

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2016	2015 as restated	2016	2015 as restated
	£	£	£	£
Trade debtors	1,308,033	1,153,942	1,250,274	1,115,952
Amounts owed by group undertakings	-	-	131,907	103,501
Other debtors	-	69,014	-	-
Corporation tax	21,588	33,383	21,588	33,383
Prepayments and accrued income	716,107	1,008,027	454,690	771,648
	<u>2,045,728</u>	<u>2,264,366</u>	<u>1,858,459</u>	<u>2,024,484</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2016	2015 as restated	2016	2015 as restated
	£	£	£	£
Hire purchase contracts (see note 15)	15,701	46,322	-	-
Trade creditors	1,287,736	582,317	845,989	401,921
Amounts owed to group undertakings	-	-	797,359	713,699
Social security and other taxes	91,311	15,258	22,117	13,533
Other creditors	1,142,644	1,352,701	-	-
Accruals and deferred income	1,713,643	2,690,905	834,250	1,648,081
	<u>4,251,035</u>	<u>4,687,503</u>	<u>2,499,715</u>	<u>2,777,234</u>

**15. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Hire purchase contracts</b>	
	2016	2015 as restated
	£	£
Net obligations repayable:		
Within one year	<u>15,701</u>	<u>46,322</u>



**PARTNERING HEALTH LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**15. LEASING AGREEMENTS - continued**

**Group**

	<b>Non-cancellable operating leases</b>	
	<b>2016</b>	<b>2015 as restated</b>
	<b>£</b>	<b>£</b>
Within one year	<b>258,947</b>	203,227
Between one and five years	<b>97,243</b>	167,867
	<b><u>356,190</u></b>	<b><u>371,094</u></b>

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>	
	<b>2016</b>	<b>2015 as restated</b>
	<b>£</b>	<b>£</b>
Hire purchase contracts	<b><u>15,701</u></b>	<b><u>46,322</u></b>

Hire purchase agreements are secured against the assets to which they relate.

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	<b>2016</b>	<b>2015 as restated</b>
			<b>£</b>	<b>£</b>
8,000,000	Ordinary	£0.01	<b><u>80,000</u></b>	<b><u>80,000</u></b>

The ordinary shares have attached to them full voting, dividend rights and rights on winding up.

**18. RESERVES**

**Group**

	<b>Retained earnings</b>
	<b>£</b>
At 1 October 2015	<b>51,152</b>
Prior year adjustment	<b><u>(345,393)</u></b>
	<b>(294,241)</b>
Deficit for the year	<b><u>(159,462)</u></b>
At 30 September 2016	<b><u>(453,703)</u></b>

**PARTNERING HEALTH LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**18. RESERVES - continued**

**Company**

	<b>Retained earnings £</b>
At 1 October 2015	<b>128,856</b>
Prior year adjustment	<b><u>(345,393)</u></b>
	<b>(216,537)</b>
Deficit for the year	<b><u>(375,165)</u></b>
At 30 September 2016	<b><u>(591,702)</u></b>

Retained earnings represent accumulated profit and losses to date.

**19. RELATED PARTY DISCLOSURES**

Ashley House plc is the parent company of Ashley House Clinical Services Limited, a shareholder.

During the year the group was recharged expenses of £20,544 (2015: £28,888) from Ashley House PLC. The balance due to Ashley House plc at the year end was £1,138,942 (2015: £1,229,168).

During the year the group was recharged expenses of £24,625 (2015: £31,165) from Highworth Associates Limited, a company of which director Mr L Hasell is a director. At the year end, £Nil (2015: £Nil) was outstanding.

During the year purchases of £159,748 (2015: £73,289) were made from Orchard Health, a company which Dr T S Wright is connected with. The balance due to Orchard Health at the year end was £12,250 (2015: £16,167).

During the prior year a loan was made to Dr M Johns, a shareholder. The amount due to Dr M Johns at the year end was £Nil (2015: £30,300).

During the prior year a loan was made to Dr T S Wright, a shareholder. The amount due to Dr T S Wright at the year end was £Nil (2015: £28,800).

**20. ULTIMATE CONTROLLING PARTY**

The directors consider there to be no single controlling party.

**PARTNERING HEALTH LIMITED**  
**RECONCILIATION OF EQUITY**  
**1 OCTOBER 2014**  
**(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		5,904	-	5,904
<b>CURRENT ASSETS</b>				
Debtors		1,635,830	-	1,635,830
Cash at bank and in hand		220,294	-	220,294
		<u>1,856,124</u>	-	<u>1,856,124</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(1,593,962)	-	(1,593,962)
<b>NET CURRENT ASSETS</b>		<u>262,162</u>	-	<u>262,162</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>268,066</u>	-	<u>268,066</u>
<b>NET ASSETS</b>		<u>268,066</u>	-	<u>268,066</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		30,000	-	30,000
Retained earnings		238,066	-	238,066
<b>SHAREHOLDERS' FUNDS</b>		<u>268,066</u>	-	<u>268,066</u>

The notes form part of these financial statements

**PARTNERING HEALTH LIMITED**  
**RECONCILIATION OF EQUITY - continued**  
**30 SEPTEMBER 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Intangible assets		1,316,528	-	1,316,528
Tangible assets		<u>211,779</u>	<u>-</u>	<u>211,779</u>
		<u>1,528,307</u>	<u>-</u>	<u>1,528,307</u>
<b>CURRENT ASSETS</b>				
Debtors		2,264,366	-	2,264,366
Cash at bank and in hand		<u>680,589</u>	<u>-</u>	<u>680,589</u>
		<u>2,944,955</u>	<u>-</u>	<u>2,944,955</u>
<b>CREDITORS</b>				
Amounts falling due within one year		<u>(4,687,503)</u>	<u>-</u>	<u>(4,687,503)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,742,548)</u>	<u>-</u>	<u>(1,742,548)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(214,241)</u>	<u>-</u>	<u>(214,241)</u>
<b>NET LIABILITIES</b>		<u>(214,241)</u>	<u>-</u>	<u>(214,241)</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		80,000	-	80,000
Retained earnings		<u>(294,241)</u>	<u>-</u>	<u>(294,241)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(214,241)</u>	<u>-</u>	<u>(214,241)</u>

The notes form part of these financial statements

**PARTNERING HEALTH LIMITED**  
**RECONCILIATION OF LOSS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>TURNOVER</b>	11,531,245	-	11,531,245
Cost of sales	<u>(10,237,590)</u>	<u>-</u>	<u>(10,237,590)</u>
<b>GROSS PROFIT</b>	1,293,655	-	1,293,655
Administrative expenses	(1,895,481)	-	(1,895,481)
Other operating income	37,380	-	37,380
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>OPERATING LOSS</b>	(564,446)	-	(564,446)
Interest payable and similar charges	<u>(1,244)</u>	<u>-</u>	<u>(1,244)</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	(565,690)	-	(565,690)
Tax on loss on ordinary activities	<u>33,383</u>	<u>-</u>	<u>33,383</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	<u>(532,307)</u>	<u>-</u>	<u>(532,307)</u>
Loss attributable to: Owners of the parent			<u>(532,307)</u>

The notes form part of these financial statements