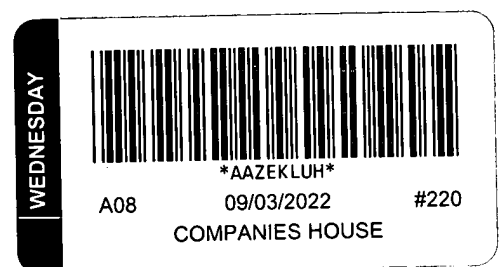


REGISTERED NUMBER: 06563486 (England and Wales)

PARTNERING HEALTH LIMITED
GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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



PARTNERING HEALTH LIMITED
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FOR THE YEAR ENDED 30 SEPTEMBER 2021

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PARTNERING HEALTH LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2021

DIRECTORS:

Mr S G Minion
Dr T S Wright
Mr R S Brand
Mr R Smith
Mr A Kandiah
Mr R D Coladangelo

SECRETARY:

Miss K E Minion

REGISTERED OFFICE:

Ailsa House, 3 Turnberry House
The Links, 4400 Parkway
Solent Business Park
Whiteley
Hampshire
PO15 7FJ

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 2021

During the financial year October 2020 to September 2021 our organisation has been working hard, to ensure we provide high quality care to our users, doing so while supporting the NHS with a combined response to the Covid 19 Pandemic.

We have continued to experience success throughout this period and continue to be a highly regarded and resilient partner for health and social care delivery and innovation. We progressed from being a regional provider to being a national healthcare company through the award of places on two national healthcare frameworks and continue to grow our reach through a partnership approach. We have designed and developed a new national head office and distribution centre to support our growth strategy; we have commenced the manufacture of our own digital healthcare solutions and have formed partnerships at a global level, which will allow us to support innovation within health and social care internationally in the coming years.

We are able to report our strongest year of trading, marking a further period of annual growth, delivered through continued delivery against our strategic plans, which are in place to support progress towards our 2030 vision; all while being responsive to our customer's needs.

Our services have been reinspected by the Care Quality Commission (CQC) and we have been described as a 'dynamic organisation' with 'strong governance, and open culture', have been rated Good in all areas and were commended for a number of examples of outstanding care and practice, many for our innovative solutions where we continue to make a difference to people's lives every day. We have also been highly commended within the National Patient Safety Awards 2021.

This year was made achievable due to the hard work and dedication of hundreds of hardworking and dedicated people, working tirelessly across a range of projects and services while relying upon everybody's strength and resolve.

REVIEW OF BUSINESS

Our key financial performance indicators and the financial position for the continuing operations of the Group are shown below:

Year to 30 September	2021 £'000	2020 £'000
Turnover	21,984	18,378
Gross Profit	9,693	7,880
Adjusted Profit before Taxation, Depreciation and Amortisation	1,305	1,104
Financial performance ratios:		
Gross margin	44.09%	42.88%
Operating margin	5.90%	4.18%
Net margin (based on profit after tax)	3.72%	3.93%
Return on capital employed	76.49%	57.48%
Liquidity ratios:		
Current ratio	1.06	0.92
Quick ratio	1.03	0.89

Continuing turnover saw a 20% increase. This increase helped lead to a small increase in the Gross Margin of 44% (2020: 43%).

The Group's Continuing Adjusted Profit before Taxation, Depreciation and Amortisation has increased by 18%.

Management continuously monitors performance on all contracts to ensure that quality and performance standards are always maintained with patient safety at the forefront of decision making.

The directors have continued to carefully manage the working capital position of the Group during the year.

PARTNERING HEALTH LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

DEFINED BENEFIT PENSION SCHEME

The Group continues to support its defined benefit pension scheme which is closed to new members. It is a separate trustee administered entity holding assets to meet long term pension liabilities.

At the previous Triennial review of the scheme carried out in December 2015, the pension deficit was deemed to be immaterial. However, following the latest Triennial review of the scheme carried out in December 2018, the deficit increased to become material giving rise to prior year adjustments in the previous year.

The valuation of the scheme was undertaken at the balance sheet date by a qualified independent actuary which showed a deficit in the scheme of £79k compared with a deficit of £264k as at 30 September 2020.

OUR PEOPLE

Our people are at the heart of our business. They play an integral role in fulfilling our commitment to our patients. Our workforce is made up of circa 393 employees both permanent and bank. This is complemented with a host of self employed and contract workers.

Our HR Strategy is designed to support the future growth of the organisation. We will have appropriately trained and experienced employees whilst recognising and developing our high performers. We will be an employer of choice through listening to and acting upon employee feedback, and appropriately rewarding and recognising our employees for demonstrating behaviours in accordance with our core. Our attraction strategies and infrastructure support and promote a diverse and inclusive workforce.

We take our responsibility to consult very seriously. We have a positive and constructive relationship with the trade union Unison as well as a fully elected all-employee representative body (Employee Voice). We believe that by doing so we encourage a culture of trust and open and honest communication that will help us ensure that our organisation is a better place to be.

Everyone involved in the recruitment and selection of employees must be aware of and comply with PHL's policy on Equal Opportunities.

In meeting its obligations under the duty and to ensure that disabled people are given the same opportunities as non-disabled people, PHL takes the following steps:

- Full and fair consideration is given to disabled people for all types of vacancies.
- Reasonable adjustments are made to the recruitment and selection process for a disabled candidate where requested.
- Selection interviews are competency based and concentrate on the applicant's ability and aptitude – not on their disability.
- Disabled employees are given equal opportunity for training, transfer, career development and promotion.

Investment in learning and development is considered according to the job role, discussion with line managers on career growth and return on investment to the organisation.

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 approach to partnership within the system and their strategic approach to business development, has ensured that we have been able to navigate successfully through the previously reported uncertainties related to NHS commissioning intentions. Via negotiation and business development activities, we have stabilised the outlook for our core business for multiple years.

The Group's risk management and monitoring programme continually assesses our contract landscape and provides guidance to tactical decision making regarding business development activities.

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 the close control of debtors and creditors to ensure the Group maintains a continuing positive balance. 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 funds are available to meet amounts due.

PARTNERING HEALTH LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

FUTURE DEVELOPMENTS

2021 has been the second year of working towards our 2030 Strategy, which is set to deliver against our vision and mission. This continues to be based upon our solid organisational values of:

1. Caring
2. Accountability
3. Respect
4. Efficiency
5. Teamwork
6. Fun

Our Vision remains to be an innovative healthcare enabler, known for providing a range of the highest quality care, agile solutions and cutting-edge technology services.

Our Mission is to enable people to remain well, or to receive the best possible health and social care via the provision of:

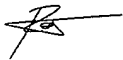
1. High quality healthcare services
2. Innovative and robust healthcare technology
3. Industry leading professional services

Our Group continues to be a well-respected provider of healthcare in the south, and having grown our footprint this year, we will now grow our profile and offer our services to the entire United Kingdom, ensuring our customers, service users and regulators remain satisfied that we are the best solution for their needs and will do so by not only living our values, but building upon the core pillars of our success which are:

1. Our People, their experience and success.
2. Our Quality of care, customer service and user experience.
3. Our Performance, in terms of service delivery and excellence.
4. Our Financial Stability and Security.

Our customers and regulators continue to support our business and operations and it is through that support we will continue to strive to be the best we can be, to develop on their behalf and innovate for our combined future.

ON BEHALF OF THE BOARD:



.....
Mr R S Brand - Director

17 February 2022

PARTNERING HEALTH LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2021.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2020 to the date of this report.

Mr S G Minion
Dr T S Wright
Mr R S Brand
Mr R Smith
Mr A Kandiah
Mr R D Coladangelo

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, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr R S Brand - Director

17 February 2022

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

Opinion

We have audited the financial statements of Partnering Health Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 September 2021 and of the group's profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect of the operations of the Group. The key laws and regulations we considered in this context included the UK Companies Act and the Care Quality Commission (CQC) regulations.

Discussions were held within the engagement team regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential risk areas such as the completeness of revenue as well as the completeness and accuracy of deferred and accrued income. Audit procedures were designed to ensure all of the risks were addressed.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- o enquiring of management as to actual and potential litigation and claims; and
- o reviewing any correspondence with regulators and the Group's legal advisors.
- o reviewing reports from CQC inspections and action plans.

To address the risk of fraud through management bias and override of controls, we:

- o performed analytical procedures to identify any unusual or unexpected relationships;
- o tested journal entries to identify unusual transactions and bias.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Rothmans Audit LLP

Kevin Richards FCCA (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

18 February 2022

PARTNERING HEALTH LIMITED
CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 Continuing £'000	2021 Discontinued £'000	2021 Total £'000
TURNOVER	3	21,984	-	21,984
Cost of sales		(12,291)	-	(12,291)
GROSS PROFIT		9,693	-	9,693
Administrative expenses		(8,458)	-	(8,458)
Depreciation and amortisation		(218)	-	(218)
Other operating income		280	-	280
Operating expenses		(8,396)	-	(8,396)
OPERATING PROFIT	5	1,297	-	1,297
Loss on acquisition of subsidiary		(191)	-	(191)
		1,106	-	1,106
Interest receivable and similar income		4	-	4
Interest payable and similar expenses	6	(20)	-	(20)
Other finance costs	20	(3)	-	(3)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,087	-	1,087
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,087	-	1,087
Depreciation and amortisation		218	-	218
ADJUSTED PROFIT BEFORE TAXATION		1,305	-	1,305
Tax on profit	7	(270)	-	(270)
PROFIT FOR THE FINANCIAL YEAR		817	-	817
Profit attributable to: Owners of the parent				817

The notes form part of these financial statements

PARTNERING HEALTH LIMITED
CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2020 Continuing £'000	2020 Discontinued £'000	2020 Total £'000
TURNOVER	3	18,378	46	18,424
Cost of sales		<u>(10,498)</u>	<u>14</u>	<u>(10,484)</u>
GROSS PROFIT		7,880	60	7,940
Administrative expenses		(6,928)	(80)	(7,008)
Depreciation and amortisation		(362)	(4)	(366)
Other operating income		179	-	179
Operating expenses		<u>(7,111)</u>	<u>(84)</u>	<u>(7,195)</u>
OPERATING PROFIT/(LOSS)	5	769	(24)	745
Profit/loss on sale of investments		<u>-</u>	<u>(445)</u>	<u>(445)</u>
		769	(469)	300
Interest receivable and similar income		4	-	4
Interest payable and similar expenses	6	(29)	(4)	(33)
Other finance costs	20	<u>(2)</u>	<u>-</u>	<u>(2)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		742	(473)	269
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		742	(473)	269
Depreciation and amortisation		<u>362</u>	<u>4</u>	<u>366</u>
ADJUSTED PROFIT/(LOSS) BEFORE TAXATION		1,104	(469)	635
Tax on profit/(loss)	7	<u>(20)</u>	<u>-</u>	<u>(20)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>722</u>	<u>(473)</u>	<u>249</u>
Profit/(loss) attributable to: Owners of the parent				<u>249</u>

The notes form part of these financial statements

PARTNERING HEALTH LIMITED
CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021 £'000	2020 £'000
PROFIT FOR THE YEAR	817	249
OTHER COMPREHENSIVE INCOME		
Actuarial gains/(losses)	108	(149)
Income tax relating to other comprehensive income	<u>(30)</u>	<u>18</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>78</u>	<u>(131)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	895	118
Prior year adjustment	<u>-</u>	<u>(137)</u>
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT	<u>895</u>	<u>(19)</u>
Total comprehensive income attributable to: Owners of the parent	<u>895</u>	<u>(19)</u>

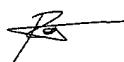
The notes form part of these financial statements

PARTNERING HEALTH LIMITED (REGISTERED NUMBER: 06563486)

CONSOLIDATED BALANCE SHEET
30 SEPTEMBER 2021

	Notes	£'000	2021 £'000	£'000	2020 £'000
FIXED ASSETS					
Intangible assets	9		304		223
Tangible assets	10		498		462
Investments	11		-		-
			802		685
CURRENT ASSETS					
Stocks	12	106		109	
Debtors	13	2,433		1,176	
Cash at bank and in hand		1,340		1,652	
		3,879		2,937	
CREDITORS					
Amounts falling due within one year	14	3,650		3,180	
NET CURRENT ASSETS/(LIABILITIES)			229		(243)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,031		442
CREDITORS					
Amounts falling due after more than one year	15		(36)		(156)
PENSION LIABILITY	20		(79)		(264)
NET ASSETS			916		22
CAPITAL AND RESERVES					
Called up share capital	18		79		79
Retained earnings	19		837		(57)
SHAREHOLDERS' FUNDS			916		22

The financial statements were approved by the Board of Directors and authorised for issue on 17 February 2022 and were signed on its behalf by:



Mr R S Brand - Director

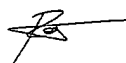
The notes form part of these financial statements

PARTNERING HEALTH LIMITED (REGISTERED NUMBER: 06563486)

COMPANY BALANCE SHEET
30 SEPTEMBER 2021

	Notes	£'000	2021 £'000	£'000	2020 £'000
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		406		427
Investments	11		191		-
			597		427
CURRENT ASSETS					
Debtors	13	4,408		2,517	
Cash at bank and in hand		840		1,526	
		5,248		4,043	
CREDITORS					
Amounts falling due within one year	14	5,251		4,632	
NET CURRENT LIABILITIES			(3)		(589)
TOTAL ASSETS LESS CURRENT LIABILITIES			594		(162)
CREDITORS					
Amounts falling due after more than one year	15		36		156
NET ASSETS/(LIABILITIES)			558		(318)
CAPITAL AND RESERVES					
Called up share capital	18		79		79
Retained earnings	19		479		(397)
SHAREHOLDERS' FUNDS			558		(318)
Company's profit/(loss) for the financial year			876		(391)

The financial statements were approved by the Board of Directors and authorised for issue on 17 February 2022 and were signed on its behalf by:



Mr R S Brand - Director

The notes form part of these financial statements

PARTNERING HEALTH LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 October 2019	79	(38)	41
Prior year adjustment	<u>-</u>	<u>(137)</u>	<u>(137)</u>
As restated	<u>79</u>	<u>(175)</u>	<u>(96)</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>118</u>	<u>118</u>
Balance at 30 September 2020	<u>79</u>	<u>(57)</u>	<u>22</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>895</u>	<u>895</u>
Balance at 30 September 2021	<u><u>79</u></u>	<u><u>837</u></u>	<u><u>916</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 2021

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 October 2019	79	131	210
Prior year adjustment	<u>-</u>	<u>(137)</u>	<u>(137)</u>
As restated	<u>79</u>	<u>(6)</u>	<u>73</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>(391)</u>	<u>(391)</u>
Balance at 30 September 2020	<u>79</u>	<u>(397)</u>	<u>(318)</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>876</u>	<u>876</u>
Balance at 30 September 2021	<u><u>79</u></u>	<u><u>479</u></u>	<u><u>558</u></u>

The notes form part of these financial statements

PARTNERING HEALTH LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	1	247	1,437
Interest paid		-	(6)
Interest element of hire purchase payments paid		(20)	(29)
Tax paid		(179)	(14)
Net cash from operating activities		<u>48</u>	<u>1,388</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(119)	(36)
Purchase of tangible fixed assets		(67)	(150)
Acquisition of subsidiaries		(64)	4
Disposal of subsidiary		-	(49)
Interest received		<u>4</u>	<u>4</u>
Net cash from investing activities		<u>(246)</u>	<u>(227)</u>
Cash flows from financing activities			
Capital repayments in year		<u>(109)</u>	<u>(72)</u>
Net cash from financing activities		<u>(109)</u>	<u>(72)</u>
(Decrease)/increase in cash and cash equivalents		<u>(307)</u>	<u>1,089</u>
Cash and cash equivalents at beginning of year	2	<u>1,652</u>	<u>563</u>
Cash and cash equivalents at end of year	2	<u><u>1,340</u></u>	<u><u>1,652</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 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£'000	£'000
Profit before taxation	1,087	269
Depreciation charges	178	162
Amortisation	40	204
Loss on disposal of investments	-	445
Current service cost	88	90
Pension funding contributions	(168)	(146)
Finance costs	23	35
Finance income	<u>(4)</u>	<u>(4)</u>
	1,244	1,055
Decrease/(increase) in stocks	3	(21)
(Increase)/decrease in trade and other debtors	(1,281)	397
Increase in trade and other creditors	<u>281</u>	<u>6</u>
Cash generated from operations	<u>247</u>	<u>1,437</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 30 September 2021

	30/9/21	1/10/20
	£'000	£'000
Cash and cash equivalents	<u>1,340</u>	<u>1,652</u>

Year ended 30 September 2020

	30/9/20	1/10/19
	£'000	£'000
Cash and cash equivalents	<u>1,652</u>	<u>563</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/20	Cash flow	At 30/9/21
	£'000	£'000	£'000
Net cash			
Cash at bank and in hand	<u>1,652</u>	<u>(312)</u>	<u>1,340</u>
	<u>1,652</u>	<u>(312)</u>	<u>1,340</u>
Debt			
Finance leases	<u>(265)</u>	<u>109</u>	<u>(156)</u>
	<u>(265)</u>	<u>109</u>	<u>(156)</u>
Total	<u>1,387</u>	<u>(203)</u>	<u>1,184</u>

The notes form part of these financial statements

PARTNERING HEALTH LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. COMPANY INFORMATION

Partnering Health Limited was incorporated on 11 April 2008 under the Companies Act 2006, as a private limited company and is registered in England and Wales. The principal activity of the group is the provision of services in the healthcare sector. The registered office address is Ailsa House, 3 Turnberry House, The Links, 4400 Parkway, Solent Business Park, Whiteley, Hampshire, PO15 7FJ.

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.

The presentation 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 2021 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Subsidiaries are excluded from consolidation from the date that control ceases.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Group.

Transactions between Group entities which have been eliminated on consolidation are not disclosed within the financial statements.

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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.

Pension liability

The calculation of the pension liability is determined using actuarial assumptions. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

Useful life of goodwill

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

Contract accounting

Revenue and costs relating to long term contracts are recognised when the service is provided. Any costs in relation to contract set up are deferred where appropriate in line with the revenue recognition. This involves estimating the revenue and costs over the period of the contract.

Turnover

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

Turnover relates to the provision of healthcare services, recruitment services and rental income. Revenue is recognised on provision of the service.

Long-term contracts are assessed on a contract by contract basis and are reflected in the Income Statement by recording turnover and related costs as each contract progresses.

Intangible assets

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.

Software development costs recognised represent the capital expenditure on the development of the Group's projects. Software is amortised over its expected useful life of 5 years.

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

All fixed assets are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of fixed assets initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in a manner intended by management.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

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

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Consolidated Income Statement.

Investments

Investments are initially recognised at cost and subsequently carried at cost less accumulated impairment losses.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

The Group only has financial assets and liabilities of the kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and debt instruments are subsequently measured at amortised cost.

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 is 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 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.

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. ACCOUNTING POLICIES - continued

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 Consolidated 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 Consolidated Income Statement on a straight line basis over the term of the lease.

Pension costs and other post-retirement benefits

The Group accounts for its defined benefit pension scheme in accordance with FRS 102.

The pension scheme liabilities are measured using the projected units method. The pension scheme deficit is recognised in full and disclosed on the face of the balance sheet. The movement in the scheme deficit is split between operating profit and finance costs in the income statement and the statement of other comprehensive income.

In addition, the group makes contributions to a defined contribution scheme, the assets of which are held separately from those of the group in an independently administered fund. Contributions to this scheme are charged to the Consolidated Income Statement as they become payable.

Joint ventures

Jointly controlled operations involves the shared use of resources. In respect of its interests in jointly controlled operations, the group 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 group 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.

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2021	2020
	£'000	£'000
Healthcare services	21,980	18,368
Recruitment services	4	10
Rental income	-	46
	<u>21,984</u>	<u>18,424</u>

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£'000	£'000
Wages and salaries	8,884	6,453
Social security costs	857	596
Other pension costs	319	279
	<u>10,060</u>	<u>7,328</u>

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

4. EMPLOYEES AND DIRECTORS - continued

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

	2021	2020
Clinical	120	98
Non-clinical	229	161
	<u>349</u>	<u>259</u>

	2021	2020
	£	£
Directors' remuneration	438,652	383,891
Directors' pension contributions to money purchase schemes	<u>3,951</u>	<u>3,833</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	-----------------	-----------------

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	99,364	97,815
Pension contributions to money purchase schemes	<u>1,317</u>	<u>1,314</u>

Directors fees of £Nil were also paid to Ashley House Plc, in respect of services provided by Mr A Walters (2020: £17k).

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£'000	£'000
Hire of plant and machinery	25	10
Depreciation - owned assets	88	75
Depreciation - assets on hire purchase contracts	89	87
Goodwill amortisation	21	203
Software development costs amortisation	17	1
Auditors remuneration	21	23
Operating leases	<u>97</u>	<u>217</u>

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£'000	£'000
Interest payable	-	4
Hire purchase and finance lease charges	<u>20</u>	<u>29</u>
	<u>20</u>	<u>33</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021	2020
	£'000	£'000
Current tax:		
UK corporation tax	180	-
Over/under provision in prior year	<u>96</u>	<u>14</u>
Total current tax	276	14
Deferred tax	<u>(6)</u>	<u>6</u>
Tax on profit	<u>270</u>	<u>20</u>

Reconciliation of total tax charge 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:

	2021	2020
	£'000	£'000
Profit before tax	<u>1,087</u>	<u>269</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	207	51
Effects of:		
Expenses not deductible for tax purposes	64	-
Adjustments to tax charge in respect of previous periods	96	14
Research & development enhanced deduction	(44)	-
Movement in deferred tax unprovided	(46)	(45)
Other movements	<u>(6)</u>	<u>-</u>
Total tax charge	<u>270</u>	<u>20</u>

Tax effects relating to effects of other comprehensive income

	Gross	Tax	2021
	£'000	£'000	Net
Actuarial gains/(losses)	<u>108</u>	<u>(30)</u>	<u>78</u>
	Gross	Tax	2020
	£'000	£'000	Net
Actuarial gains/(losses)	<u>(149)</u>	<u>18</u>	<u>(131)</u>

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

8. INDIVIDUAL INCOME STATEMENT

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.

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000	Software development costs £'000	Totals £'000
COST			
At 1 October 2020	243	36	279
Additions	<u>-</u>	<u>119</u>	<u>119</u>
At 30 September 2021	<u>243</u>	<u>155</u>	<u>398</u>
AMORTISATION			
At 1 October 2020	55	1	56
Amortisation for year	<u>21</u>	<u>17</u>	<u>38</u>
At 30 September 2021	<u>76</u>	<u>18</u>	<u>94</u>
NET BOOK VALUE			
At 30 September 2021	<u>167</u>	<u>137</u>	<u>304</u>
At 30 September 2020	<u>188</u>	<u>35</u>	<u>223</u>

Company

	Goodwill £'000
COST	
At 1 October 2020 and 30 September 2021	<u>34</u>
AMORTISATION	
At 1 October 2020 and 30 September 2021	<u>34</u>
NET BOOK VALUE	
At 30 September 2021	<u>-</u>
At 30 September 2020	<u>-</u>

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

10. TANGIBLE FIXED ASSETS

Group	Fixtures and fittings £'000	Medical equipment £'000	Computer equipment £'000	Totals £'000
COST				
At 1 October 2020	226	40	499	765
Additions	59	2	152	213
Disposals	-	-	(3)	(3)
At 30 September 2021	<u>285</u>	<u>42</u>	<u>648</u>	<u>975</u>
DEPRECIATION				
At 1 October 2020	62	10	231	303
Charge for year	50	7	120	177
Eliminated on disposal	-	-	(3)	(3)
At 30 September 2021	<u>112</u>	<u>17</u>	<u>348</u>	<u>477</u>
NET BOOK VALUE				
At 30 September 2021	<u>173</u>	<u>25</u>	<u>300</u>	<u>498</u>
At 30 September 2020	<u>164</u>	<u>30</u>	<u>268</u>	<u>462</u>

The net book value of tangible fixed assets includes £243k (2020: £244k) in respect of assets held under hire purchase contracts.

Company	Fixtures and fittings £'000	Medical equipment £'000	Computer equipment £'000	Totals £'000
COST				
At 1 October 2020	253	35	473	761
Additions	59	1	86	146
At 30 September 2021	<u>312</u>	<u>36</u>	<u>559</u>	<u>907</u>
DEPRECIATION				
At 1 October 2020	90	8	236	334
Charge for year	50	7	110	167
At 30 September 2021	<u>140</u>	<u>15</u>	<u>346</u>	<u>501</u>
NET BOOK VALUE				
At 30 September 2021	<u>172</u>	<u>21</u>	<u>213</u>	<u>406</u>
At 30 September 2020	<u>163</u>	<u>27</u>	<u>237</u>	<u>427</u>

The net book value of tangible fixed assets includes £243k (2020: £244k) in respect of assets held under hire purchase contracts.

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £'000
COST	
Additions	<u>191</u>
At 30 September 2021	<u>191</u>
NET BOOK VALUE	
At 30 September 2021	<u>191</u>

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

Subsidiaries

PHL Integrated Care Limited

Registered office: Ailsa House, 3 Turnberry House, The Links, 4400 Parkway, Solent Business Park, Whiteley, Hampshire, PO15 7FJ.

Nature of business: Medical practice activities

	%
Class of shares:	holding
Ordinary	100.00

PHL Primary Care Limited

Registered office: Ailsa House, 3 Turnberry House, The Links, 4400 Parkway, Solent Business Park, Whiteley, Hampshire, PO15 7FJ.

Nature of business: Medical practice activities

	%
Class of shares:	holding
Ordinary	100.00

PHL Professionals Limited

Registered office: Ailsa House, 3 Turnberry House, The Links, 4400 Parkway, Solent Business Park, Whiteley, Hampshire, PO15 7FJ.

Nature of business: Medical practice activities

	%
Class of shares:	holding
Ordinary	100.00

PHL Youla Limited

Registered office: Ailsa House, 3 Turnberry House, The Links, 4400 Parkway, Solent Business Park, Whiteley, Hampshire, PO15 7FJ.

Nature of business: Medical practice activities

	%
Class of shares:	holding
Ordinary	100.00

The company also holds an investment in Portsmouth Health Limited, a dormant company. Partnering Health Limited owns 100% of the ordinary share capital. The registered office of Portsmouth Health Limited is Ailsa House, 3 Turnberry House, The Links, 4400 Parkway, Solent Business Park, Whiteley, Hampshire, PO15 7FJ.

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

12. STOCKS

	Group	
	2021	2020
	£'000	£'000
Stocks	<u>106</u>	<u>109</u>

The value of stock recognised as an expense during the year was £615k (2020: £482k).

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	993	696	957	655
Amounts owed by group undertakings	640	-	3,089	1,570
Other debtors	35	28	32	28
VAT	-	3	-	-
Deferred tax asset	20	44	-	-
Prepayments and accrued income	<u>745</u>	<u>405</u>	<u>330</u>	<u>264</u>
	<u>2,433</u>	<u>1,176</u>	<u>4,408</u>	<u>2,517</u>

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Deferred tax asset	<u>20</u>	<u>44</u>	<u>-</u>	<u>-</u>

All amounts shown under debtors fall due for payment within one year except the deferred tax asset recognised in respect of the defined pension scheme. This will reverse over the life of the scheme and is subject to changes in valuations of the defined benefit obligations and plan assets.

	£'000
Balance at 1 October 2020	44
Debited to Other Comprehensive Income in the year	(30)
Credited to Income Statement in the year	<u>6</u>
Balance at 30 September 2021	<u>20</u>

The deferred tax asset comprises:

	2021	2020
	£'000	as restated £'000
Deferred tax asset on pension liability	20	50
Deferred tax liability on accelerated capital allowances	<u>-</u>	<u>(6)</u>
	<u>20</u>	<u>44</u>

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Hire purchase contracts (see note 16)	120	109	120	109
Trade creditors	752	995	213	115
Amounts owed to group undertakings	-	-	3,211	3,529
Corporation tax	97	-	97	-
Social security and other taxes	310	269	81	54
VAT	11	-	11	-
Other creditors	254	261	35	42
Accruals and deferred income	<u>2,106</u>	<u>1,546</u>	<u>1,483</u>	<u>783</u>
	<u>3,650</u>	<u>3,180</u>	<u>5,251</u>	<u>4,632</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Hire purchase contracts (see note 16)	<u>36</u>	<u>156</u>	<u>36</u>	<u>156</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2021	2020
	£'000	£'000
Net obligations repayable:		
Within one year	120	109
Between one and five years	<u>36</u>	<u>156</u>
	<u>156</u>	<u>265</u>

Company

	Hire purchase contracts	
	2021	2020
	£'000	£'000
Net obligations repayable:		
Within one year	120	109
Between one and five years	<u>36</u>	<u>156</u>
	<u>156</u>	<u>265</u>

Group

	Non-cancellable operating leases	
	2021	2020
	£'000	£'000
Within one year	85	97
Between one and five years	229	257
In more than five years	<u>114</u>	<u>171</u>
	<u>428</u>	<u>525</u>

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

16. LEASING AGREEMENTS - continued

Company

	Non-cancellable operating leases	
	2021	2020
	£'000	£'000
Within one year	57	57
Between one and five years	228	228
In more than five years	114	171
	<u>399</u>	<u>456</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2021	2020
	£'000	£'000
Hire purchase contracts	<u>156</u>	<u>265</u>

The hire purchase contracts are secured over the assets to which they relate.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2021	2020
		£0.01	£'000	£'000
7,900,000	Ordinary		<u>79</u>	<u>79</u>

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

19. RESERVES

Group

	Retained earnings £'000
At 1 October 2020	(57)
Profit for the year	817
Other comprehensive income	<u>78</u>
At 30 September 2021	<u>837</u>

Company

	Retained earnings £'000
At 1 October 2020	(397)
Profit for the year	<u>876</u>
At 30 September 2021	<u>479</u>

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

19. RESERVES - continued

Retained earnings represent accumulated profit and losses to date.

20. EMPLOYEE BENEFIT OBLIGATIONS

This is a funded defined benefit scheme providing benefits to the members based on final pensionable pay. The scheme commenced on 15 April 2015.

Contributions to the scheme are charged to the Consolidated Income Statement so as to spread the cost of pensions evenly over employees' working lives with the Group.

The assets of the scheme are held separately from those of the Group, being invested in managed funds.

Employer contributions amounting to £168k (2020: £146k) were paid during the year.

The last full actuarial valuation as carried out at 31 December 2018 and updated to 30 September 2021 by a qualified independent actuary on an FRS 102 basis.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Present value of funded obligations	(1,128)	(1,062)
Fair value of plan assets	<u>1,049</u>	<u>798</u>
	(79)	(264)
Present value of unfunded obligations	-	-
Deficit	<u>(79)</u>	<u>(264)</u>
Net liability	<u><u>(79)</u></u>	<u><u>(264)</u></u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Current service cost	88	90
Net interest from net defined benefit asset/liability	3	2
Past service cost	-	-
	<u>91</u>	<u>92</u>
Actual return on plan assets	<u><u>84</u></u>	<u><u>(5)</u></u>

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Opening defined benefit obligation	1,062	1,109
Current service cost	88	90
Contributions by scheme participants	12	13
Interest cost	17	18
Actuarial losses/(gains)	(38)	128
Benefits paid	<u>(13)</u>	<u>(296)</u>
	<u>1,128</u>	<u>1,062</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Opening fair value of scheme assets	798	940
Contributions by employer	168	146
Contributions by scheme participants	12	13
Interest income	14	16
Actuarial gains/(losses)	70	(21)
Benefits paid	<u>(13)</u>	<u>(296)</u>
	<u>1,049</u>	<u>798</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Actuarial gains/(losses)	<u>108</u>	<u>(149)</u>
	<u>108</u>	<u>(149)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Equities	455	320
Bonds	421	346
Multi-Asset	<u>173</u>	<u>132</u>
	<u>1,049</u>	<u>798</u>

PARTNERING HEALTH LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
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20. EMPLOYEE BENEFIT OBLIGATIONS - continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2021	2020
Discount rate	2.00%	1.55%
Rate of pensionable salary increases	3.10%	3.10%
RPI for revaluation deferment	3.70%	3.10%
RPI for increase in payment	3.40%	3.10%
CPI for revaluation deferment	3.00%	2.40%
CPI for increase in payment	3.00%	2.40%

21. RELATED PARTY DISCLOSURES

During the year purchases of £171k (2020: £235k) were made from Orchard Health Consultancy Limited, a company in which Dr T S Wright is a shareholder. The balance due to Orchard Health Consultancy Limited at the year end was £Nil (2020: £11k).

During the year the group was recharged expenses of £14k (2020: £7k) from Mr S Minion, a director of the company. The balance due to Mr S Minion at the year end was £Nil (2020: £Nil).

During the year the group was recharged expenses of £2k (2020: £Nil) from Mrs K Minion, the company secretary. The balance due to Mrs K Minion at the year end was £Nil (2020: £Nil).

During the year purchases of £8k (2020: £44k) were made from Equinox IP Ltd, a company in which Mr A Kandiah is a shareholder and director. The balance due to Equinox IP Ltd at the year end was £1k (2020: £Nil).

During the year purchases of £Nil (2020: £3k) were made from Leading Health Limited, a company in which Mr R S Brand is a shareholder and director. The balance due to Leading Health Limited at the year end was £Nil (2020: £Nil).

During the year sales of £3k (2020: £Nil) were made to Staunton Surgery, a company in which Mr R S Brand is a shareholder and director. The balance due from Staunton Surgery at the year end was £29k (2020: £28k).

During the prior year, Youla Ltd, a shareholder of PHL Youla Limited, provided a loan to the company. At the year end Youla Ltd no longer retained any interest in the company. The amount outstanding at the year end was £218k (2020: £218k) and is included in 'Creditors: Amounts falling due within one year'. The loan bears no interest.

22. ULTIMATE CONTROLLING PARTY

The directors do not consider there to be one controlling party.