

SW PATH SERVICES LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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COMPANIES HOUSE

SW PATH SERVICES LLP MEMBERS INFORMATION

DESIGNATED MEMBERS Integrated Path Services Limited
Taunton & Somerset NHS Foundation Trust
Yeovil District Hospital NHS Foundation Trust

REGISTERED NUMBER OC383198

REGISTERED OFFICE 4th Floor
1 Kingdom Street
London
United Kingdom
W2 6BD

INDEPENDENT AUDITORS Deloitte LLP
Statutory Auditor
London
United Kingdom

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**SW PATH SERVICES LLP
MEMBERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The members present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2017. The LLP is taking the small limited liabilities partnership regime exceptions.

PRINCIPAL ACTIVITIES

The principal object of the LLP is to provide pathology services in the South West of England.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENT

The Partnership has performed in line with the members' expectations for the year. The Partnership continues to be engaged in development activity and is expecting to be successful in the tendering of new contracts.

PRINCIPAL RISKS AND UNCERTAINTIES

The members confirm that they have considered and reviewed the financial risk management and policies of the LLP.

As a result of the review, the members have concluded that the LLP will be able to continue funding its activities through its cash reserves and profits. In addition, capital contributions can be called upon from the members.

DESIGNATED MEMBERS

Integrated Path Services Limited, Taunton & Somerset NHS Foundation Trust and Yeovil District Hospital NHS Foundation Trust were designated members of the LLP throughout the year.

MEMBERS' CAPITAL AND INTERESTS

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Details of changes in members' capital in the year ended 31 March 2017 are set out in the financial statements.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed after the year, subject to the cash requirements of the business.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Members' Report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware;
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

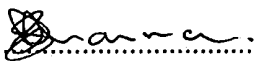
This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

**SW PATH SERVICES LLP
MEMBERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

AUDITORS

The auditors, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
Taunton & Somerset NHS Foundation Trust
Designated Member

Date: 22/9/2017.

**SW PATH SERVICES LLP
MEMBERS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the firm will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships.

They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the firm's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the Board on behalf of the members.

**SW PATH SERVICES LLP
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHWEST
SW PATH SERVICES LLP
FOR THE YEAR ENDED 31 MARCH 2017**

We have audited the financial statements of SW Path Services LLP for the year ended 31 March 2017 which comprise the Income Statement, the Statement of Financial Position and the Statement of Changes in Members' Interests and the related notes 1 to 11. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership'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 Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2017 and of its 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 as applied to limited liability partnerships.

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 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships regime.

SW PATH SERVICES LLP
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHWEST
SW PATH SERVICES LLP
FOR THE YEAR ENDED 31 MARCH 2017



Tobias Wright
Senior Statutory Auditor
for and on behalf of Deloitte LLP
Statutory Auditor
London

Date: 3 October 2017

SW PATH SERVICES LLP
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover	4	297,989	292,008
Cost of sales		(290,603)	(282,545)
Gross Profit		<u>7,386</u>	<u>9,463</u>
Administrative expenses		(6,250)	(6,386)
Profit For The Financial Year Available For Discretionary Division Among Members		<u>1,136</u>	<u>3,077</u>

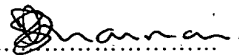
There are no other recognised gains or loss other than those included within the income statement and therefore a statement of comprehensive income has not been presented.

**SW PATH SERVICES LLP
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
Current assets			
Debtors due within one year	7	41,143	68,311
Cash at bank and in hand	8	<u>41,263</u>	<u>13,382</u>
		82,406	81,693
Creditors: Amounts due within one year	9	<u>(47,123)</u>	<u>(47,546)</u>
Net current assets		35,283	34,147
Total assets less current liabilities		<u>35,283</u>	<u>34,147</u>
Represented by:			
Members' other interests			
Other reserves		<u>35,283</u>	<u>34,147</u>

The LLP is taking the small limited liabilities partnership regime exceptions.

The financial statements of SW Path Services LLP (registered number (OC383198) were approved by the members and authorised for issue on [date]. They were signed on behalf of the members by:


Taunton & Somerset NHS Foundation Trust
Designated Member

Date: 22/9/2017.

SW PATH SERVICES LLP
STATEMENT OF CHANGES IN MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2017

	Other Reserves £
Members' interests at 1 April 2015	31,070
Profit for the financial year available for discretionary division among members	3,077
Members' interests at 31 March 2016	<u>34,147</u>
Profit for the financial year available for discretionary division among members	<u>1,136</u>
Members' interests at 31 March 2017	<u><u>35,283</u></u>

**SW PATH SERVICES LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1 GENERAL INFORMATION AND BASIS OF ACCOUNTING

SW Path Services LLP (the partnership) is incorporated in England under the Limited Liability Partnership Act 2000. The address of the registered office is given on the company information page. The nature of the Company's operations and its principal activities are set out in the members' report.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued January 2017).

This is the first year that Financial Reporting Standard 102 (FRS 102) has been adopted and no restatement of comparatives has been necessary.

These financial statements are presented in pound sterling because that is the currency of the primary economic environment in which the Company operates.

SW Path Services LLP meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

2 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied.

(a) Going Concern

The financial statements have been prepared using the going concern basis of accounting.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the year in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting year can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

(c) Taxation

The taxation payable on the Partnership's profits is the personal liability of the members, although payment of such liabilities is administered by the partnership on behalf of the members. Consequently, neither partnership taxation nor related deferred taxation are accounted for in the financial statements.

SW PATH SERVICES LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

(d) Debtors

Short term debtors are measured at transaction price, less any impairment.

(e) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

(f) Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are measured at transaction price.

(g) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value and are subject to impairment review on an annual basis.

3 CRITICAL ACCOUNTING JUDGEMENTS

In the application of the Company's accounting policies, which are described in note 2, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Revenue recognition

The key area of judgement in respect of revenue is the timing of recognition, specifically the recognition and deferral of NHS contract revenue which is billed in advance and subsequently amended based on actual activity.

4 TURNOVER

The whole of the turnover is attributable to the provision of pathology services within the United Kingdom.

5 AUDITORS REMUNERATION

	2017 £	2016 £
Fees payable for the audit of the LLP financial statements	<u>1,755</u>	<u>4,000</u>

6 MEMBERS'

	2017	2016
The average number of members during the year	<u>3</u>	<u>3</u>

SW PATH SERVICES LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

7 DEBTORS

	2017 £	2016 £
Trade debtors	17,785	50,649
Other debtors	4,200	-
Prepayments and accrued income	19,158	17,662
	<u>41,143</u>	<u>68,311</u>

8 CASH AT BANK AND IN HAND

	2017 £	2016 £
Cash at bank	<u>41,263</u>	<u>13,382</u>

9 CREDITORS

Amounts falling due within one year

	2017 £	2016 £
Trade creditors	16,273	23,990
Other taxation and social security	305	477
Accruals and deferred income	30,545	23,079
	<u>47,123</u>	<u>47,546</u>

10 RELATED PARTY TRANSACTIONS

Trading transactions

During the year, the Company entered in to the following trading transactions with related parties:

Sale of services

	2017 £	2016 £
Taunton & Somerset NHS Foundation Trust	161,463	160,330
Yeovil District Hospital NHS Foundation Trust	60,010	64,287
	<u>221,673</u>	<u>224,617</u>

SW PATH SERVICES LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Receipt of services

	2017 £	2016 £
Integrated Path Services Limited	<u>290,603</u>	<u>282,545</u>

The following amounts were outstanding at the statement of financial position date:

Amounts owed by

	2017 £	2016 £
Taunton & Somerset NHS Foundation Trust	28,653	29,426
Yeovil District Hospital NHS Foundation Trust	<u>1,270</u>	<u>23,658</u>
	<u>29,923</u>	<u>53,084</u>

Amounts owed to

	2017 £	2016 £
Integrated Path Services Limited	<u>35,431</u>	<u>39,710</u>

The LLP is owned 51.4% by Taunton & Somerset NHS Foundation Trust, 33.3% by Integrated Path Services Limited and 15.3% by Yeovil District Hospital NHS Foundation Trust.

11 CONTROLLING PARTY

The LLP considers Taunton & Somerset NHS Foundation Trust, registered in England and found at Trust management, Musgrove Park Hospital, Taunton, TA1 5DA, as its ultimate controlling party.