

# **THE PHOENIX PARTNERSHIP (LEEDS) LIMITED**

**Company Registration Number 4077829**

**Abbreviated Accounts 2011**

Brown Butler  
Chartered Accountants  
Leeds

WEDNESDAY



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The Phoenix Partnership (Leeds) Limited

Director's Report

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The director presents his annual report and the audited financial statements for the year ended 31 March 2011

1 Activities and review of business

The principal activity of the company continues to be the provision of computer software and support to general practitioners and health authorities

The directors are pleased with the company's performance and are confident the level of business activity will maintain momentum in the following year

Key Performance Indicators

Revenue in 10/11 grew from £22.0 million to £24.7 million

GP practices using the client's SystemOne clinical system across England and Wales increased to 1,578 in 10/11

Staff numbers grew to 148

Staff attrition remains well below industry averages

2 Results

The results for the year ended 31 March 2011 are shown in the profit and loss account on page 8. The profit for the year after taxation was £341,116.

3 Fixed assets

Changes in fixed assets are summarised in the notes to the financial statements

4 Donations

Charitable donations during the year amounted to £42,779 (2010: £12,449)

## 5 Director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the director is required to -

- (a) Select suitable accounting policies and apply them consistently,
- (b) Make judgements and estimates that are reasonable and prudent,
- (c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

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

## 6 Directors

The present composition of the board is set out on page 2 and the directors who held office during the year are as set out below -

F X J Hester  
S S Virk

S S Virk resigned as a director on 25 July 2011

The Phoenix Partnership (Leeds) Limited

Director's Report

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7 Audit enquiries

So far as the director is aware there is no information relevant to the audit of which the company's auditors are unaware. The director has taken the necessary steps to ensure he himself is aware of all relevant audit information and made sure that the company's auditors are also aware of that information.

On behalf of the Board

F X J Hester  
Director

X

2 February 2012

*F. Hester*

The Phoenix Partnership (Leeds) Limited

Independent Auditor's Report to The Phoenix Partnership (Leeds) Limited  
Under Section 449 of the Companies Act 2006

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We have examined the abbreviated accounts on pages 6 to 17 together with the full financial statements of The Phoenix Partnership (Leeds) Limited for the year ended 31 March 2011 prepared under Section 396 of the Companies Act 2006

Respective responsibilities of the director and auditors

The director is responsible for preparing abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006 and the abbreviated accounts to be delivered are properly prepared in accordance with the regulations made under that section.



John Brear (Senior Statutory Auditor)  
For and on behalf of Brown Butler  
Chartered Accountants and Statutory Auditor

Leigh House  
28 - 32 St Paul's Street  
Leeds  
LS1 2JT

2 February 2012

The Phoenix Partnership (Leeds) Limited

Abbreviated Profit and Loss Account  
Year ended 31 March 2011

	Note	2011 £	(Restated) 2010 £
Turnover		24,717,167	21,997,545
Cost of sales and other operating expenditure		14,282,971	14,427,110
Administrative expenses		9,934,733	7,278,011
Operating profit		499,463	292,424
Interest receivable	2	537	8,205
		500,000	300,629
Interest payable and similar charges	3	-	629
Profit on ordinary activities before taxation	5	500,000	300,000
Tax charge/(credit) on profit on ordinary activities	6	158,884	(115,161)
Profit for the financial year	14	341,116	415,161

The profit for the year arose from continuing operations

The notes on pages 10 to 17 form part of these abbreviated accounts

The Phoenix Partnership (Leeds) Limited

Statement of Total Recognised Gains and Losses  
Year ended 31 March 2011

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		2011	(Restated) 2010
	Note	£	£
Profit for the financial year		341,116	415,161
Prior year adjustment	7	<u>(67,071)</u>	<u></u>
Total gains and losses recognised since last annual report		<u>274,045</u>	

The notes on pages 10 to 17 form part of these abbreviated accounts



The Phoenix Partnership (Leeds) Limited  
Company Registration Number 4077829  
Abbreviated Balance Sheet  
31 March 2011

		2011	(Restated) 2010
	Note	£	£
Fixed assets			
Intangible assets	8	1,404,842	1,549,255
Tangible assets	9	966,760	823,473
		<u>2,371,602</u>	<u>2,372,728</u>
Current assets			
Debtors	10	5,397,240	1,076,167
Cash at bank and in hand		88,170	1,733,718
		<u>5,485,410</u>	<u>2,809,885</u>
Creditors amounts falling due within one year			
Bank overdraft		2,310,625	1,636,444
Other	11	3,956,091	2,324,649
		<u>6,266,716</u>	<u>3,961,093</u>
Net current liabilities		(781,306)	(1,151,208)
Total assets less current liabilities		1,590,296	1,221,520
Provisions for liabilities	12	27,660	-
		<u>1,562,636</u>	<u>1,221,520</u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account	14	1,561,636	1,220,520
Shareholders' funds	15	<u>1,562,636</u>	<u>1,221,520</u>

The director has taken advantage, in the preparation of the abbreviated accounts, of the provisions applicable to medium sized companies

F X J Hester Director 2 February 2012

X *F. Hester*

The notes on pages 10 to 17 form part of these abbreviated accounts

The Phoenix Partnership (Leeds) Limited

Cash Flow Statement  
Year ended 31 March 2011

	Note	2011 £	(Restated) 2010 £
Net cash (outflow)/inflow from operating activities	19a	(1,885,371)	1,403,210
Returns on investments and servicing of finance			
Interest received		537	8,205
Interest paid		-	(629)
		<u>537</u>	<u>7,576</u>
Net cash inflow from returns on investments and servicing of finance		537	7,576
Taxation			
Corporation tax repaid/(paid)		13,119	(74,179)
Capital expenditure and financial investment			
Payments to acquire intangible assets		-	(1,203,194)
Payments to acquire tangible assets		(448,014)	(770,894)
		<u>(448,014)</u>	<u>(1,974,088)</u>
Net cash outflow from capital expenditure and financial investment		(448,014)	(1,974,088)
Financing			
Repayment of bank loan		-	(88,158)
		<u>-</u>	<u>(88,158)</u>
Net cash outflow from financing		-	(88,158)
Decrease in cash	19b	<u>(2,319,729)</u>	<u>(725,639)</u>

The notes on pages 10 to 17 form part of these abbreviated accounts

The Phoenix Partnership (Leeds) Limited

Notes to the Abbreviated Accounts  
Year ended 31 March 2011

1 Accounting policies

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

(b) Turnover

Turnover represents amounts receivable for goods and services net of VAT

(c) Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

(d) Depreciation

Depreciation of tangible fixed assets is provided on cost over their estimated useful lives. The annual rates and methods of depreciation are as follows -

Improvements to leasehold property	Duration of lease
Computers	33% straight line basis
Furniture, fixtures & fittings	25% reducing balance basis & 10% straight line basis

(e) Leases

Operating lease rentals are charged to the profit and loss account as incurred

(f) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax is not recognised when assets are revalued unless, by the balance sheet date, the company has entered into a binding agreement to sell the assets and recognised the gains or losses expected to arise on sale.

2 Interest receivable

	2011 £	2010 £
Bank interest receivable	<u>537</u>	<u>8,205</u>

3 Interest payable and similar charges

	2011 £	2010 £
Loan interest	<u>-</u>	<u>629</u>

The Phoenix Partnership (Leeds) Limited

Notes to the Abbreviated Accounts  
Year ended 31 March 2011

4 Staff costs

Employee costs, including directors, during the year -

	2011 £	2010 £
Wages and salaries	6,677,669	4,704,946
Social security costs	748,408	517,709
	<u>7,426,077</u>	<u>5,222,655</u>

The average number of employees, including directors, during the year -

	Number	Number
Administration	6	4
Direct	142	120
	<u>148</u>	<u>124</u>

Directors' remuneration -

	£	£
Salary	160,000	160,000
Benefits in kind	2,938	2,888
Aggregate remuneration	<u>162,938</u>	<u>162,888</u>

5 Profit on ordinary activities before taxation

The profit is after charging -

	2011 £	2010 £
Depreciation of owned assets	304,727	186,714
Amortisation of intangible assets	144,413	101,293
Operating lease charges - land and buildings	227,205	169,310
Auditor's remuneration	10,300	8,500
	<u></u>	<u></u>

The Phoenix Partnership (Leeds) Limited

Notes to the Abbreviated Accounts  
Year ended 31 March 2011

6 Tax charge/(credit) on profit on ordinary activities

	2011 £	2010 £
Corporation tax		
Current year	61,928	-
Adjustments for prior year	-	(74,179)
Current tax charge/(credit)	61,928	(74,179)
Transfer in respect of deferred tax	96,956	(40,982)
	<u>158,884</u>	<u>(115,161)</u>

The standard rate of corporation tax is the small profits rate of United Kingdom corporation tax applicable for the year

A reconciliation of the current tax charge/(credit) for the year to the charge that would result from applying the standard rate of tax to the profit on ordinary activities before taxation is set out below -

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>500,000</u>	<u>300,000</u>
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax of 21.00% (2010 21.00%)	105,000	63,000
Effects of -		
Expenses not deductible for tax purposes	41,486	12,093
Capital allowances in excess of depreciation	(16,517)	-
Depreciation in excess of capital allowances	-	858
Research and development adjustment	(1,636)	(242,791)
Utilisation of tax losses	(66,405)	-
Tax losses arising during the year	-	166,840
Adjustments in respect of prior periods	-	(74,179)
Current tax charge/(credit)	<u>61,928</u>	<u>(74,179)</u>

The transfer in respect of deferred tax is made up as follows -

Origination and reversal of timing differences	16,518	(858)
Tax losses arising during the year	-	(38,709)
Utilisation of tax losses	66,405	-
Adjustments in respect of prior periods	14,033	(1,415)
Transfer in respect of deferred tax	<u>96,956</u>	<u>(40,982)</u>

7 Prior year adjustment

The comparative figures for development costs have been amended by £425,848 following a miscalculation of development costs for the year ended 31 March 2010. An amendment has also been made to the comparative figures for the effect this error has had on the deferred tax credit for that year. The overall charge to the financial statements for the year ended 31 March 2010 is to reduce development costs by £425,848, debtors by £67,071, creditors by £425,848 and retained profit has reduced by £67,071.

The Phoenix Partnership (Leeds) Limited

Notes to the Abbreviated Accounts  
Year ended 31 March 2011

8 Intangible assets

	Development Costs £
Cost	
At 1 April 2010 & at 31 March 2011	2,139,124
Amortisation	
At 1 April 2010	589,869
Charge for the year	144,413
At 31 March 2011	734,282
Net book value	
At 31 March 2010	1,549,255
At 31 March 2011	1,404,842

9 Tangible assets

	Improvements to leasehold property £	Computers £	Furniture, fixtures & fittings £	Total £
Cost				
At 1 April 2010	161,435	782,225	585,916	1,529,576
Additions	171,062	182,847	94,105	448,014
Disposals	-	(241,404)	-	(241,404)
At 31 March 2011	332,497	723,668	680,021	1,736,186
Depreciation				
At 1 April 2010	10,308	400,170	295,625	706,103
Charge for the year	48,594	177,016	79,117	304,727
On disposals	-	(241,404)	-	(241,404)
At 31 March 2011	58,902	335,782	374,742	769,426
Net book value				
At 31 March 2010	151,127	382,055	290,291	823,473
At 31 March 2011	273,595	387,886	305,279	966,760

The Phoenix Partnership (Leeds) Limited

Notes to the Abbreviated Accounts  
Year ended 31 March 2011

10 Debtors

	2011 £	2010 £
Trade debtors	4,221,024	100,179
Corporation tax	61,060	74,179
Other debtor	920,672	658,122
Prepayments and accrued income	194,484	174,391
Deferred tax asset - (see note 12)	-	69,296
	<u>5,397,240</u>	<u>1,076,167</u>

Amounts falling due after more than one year and included in debtors are as follows -

	2011 £	2010 £
Deferred tax asset	<u>-</u>	<u>69,296</u>

11 Creditors

Amounts falling due within one year -

Other	2011 £	2010 £
Trade creditors	372,598	1,266,207
Corporation tax	61,928	-
Social security and other taxes	1,269,851	1,019,672
Directors' loans	534	534
Other creditor	25,702	19,816
Accruals and deferred income	2,225,478	18,420
	<u>3,956,091</u>	<u>2,324,649</u>

The Phoenix Partnership (Leeds) Limited

Notes to the Abbreviated Accounts  
Year ended 31 March 2011

12 Provisions for liabilities / (Deferred tax asset)

	2011 £	2010 £
Deferred tax is analysed over the following timing differences -		
Capital allowances in excess of depreciation	27,660	-
Depreciation in excess of capital allowances	-	(30,587)
Tax losses	-	(38,709)
	<u>27,660</u>	<u>(69,296)</u>

Movements on the provision for deferred tax are as follows -

At 1 April 2010	(69,296)	(28,314)
Charge/(Credit) in profit and loss account	96,956	(40,982)
At 31 March 2011	<u>27,660</u>	<u>(69,296)</u>

13 Called up share capital

	2011 £	2010 £
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

14 Profit and loss account

	2011 £	(Restated) 2010 £
At 1 April 2010 as previously reported	1,287,591	805,359
Prior year adjustment	(67,071)	-
At 1 April 2010 as restated	<u>1,220,520</u>	<u>805,359</u>
Profit for the financial year	341,116	415,161
At 31 March 2011	<u>1,561,636</u>	<u>1,220,520</u>



The Phoenix Partnership (Leeds) Limited

Notes to the Abbreviated Accounts  
Year ended 31 March 2011

15 Reconciliation of movements in shareholders' funds

	2011	(Restated) 2010
	£	£
Opening shareholders' funds as previously reported	1,288,591	806,359
Prior year adjustment	(67,071)	-
Opening shareholders' funds as restated	1,221,520	806,359
Profit for the financial year	341,116	415,161
Closing shareholders' funds	1,562,636	1,221,520

16 Leasing commitments

At 31 March 2011 the company had operating lease commitments for the following year as set out below -

	Land and buildings 2011	2010
	£	£
Operating leases which expire -		
from one to five years	207,805	-
over five years	-	207,805
	207,805	207,805

17 Related party transactions

Server Technologies is a related party as it is under the common control of the F X J Hester and S S Virk

During the year, the company acquired software services from Server Technologies totalling £13,591,989 (2010 £14,398,992)

The amount owing by Server Technologies at 31 March 2011 is £1,293,859

18 Controlling party

There is no controlling party

The Phoenix Partnership (Leeds) Limited

Notes to the Abbreviated Accounts  
Year ended 31 March 2011

19 Cash flow statement

a) Reconciliation of operating profit to net cash  
(outflow)/inflow from operating activities

	2011 £	2010 £
Operating profit	499,463	292,424
Depreciation of tangible assets	304,727	186,714
Amortisation of intangible assets	144,413	101,293
Increase in debtors	(4,403,488)	(533,951)
Increase in creditors	1,569,514	1,356,730
Net cash (outflow)/inflow from operating activities	<u>(1,885,371)</u>	<u>1,403,210</u>

b) Reconciliation of net cash flow to movement in net debt

	2011 £	2010 £
Decrease in cash	(2,319,729)	(725,639)
Cash to repay bank loan	-	88,158
Movement in net (debt)/funds in the year	<u>(2,319,729)</u>	<u>(637,481)</u>
Net funds at beginning of year	96,740	734,221
Net (debt)/funds at end of year	<u>(2,222,989)</u>	<u>96,740</u>

c) Analysis of changes in net debt

	At 01 04 10 £	Cash flows £	At 31 03 11 £
Cash at bank and in hand	1,733,718	(1,645,548)	88,170
Bank overdraft	(1,636,444)	(674,181)	(2,310,625)
Decrease in cash		<u>(2,319,729)</u>	
Debts due within one year	<u>(534)</u>	-	<u>(534)</u>
Total	<u>96,740</u>	<u>(2,319,729)</u>	<u>(2,222,989)</u>