

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

**Annual Report and Financial Statements 2013**



Brown Butler  
Chartered Accountants  
Leeds

The Phoenix Partnership (Leeds) Limited  
Annual Report and Financial Statements 2013  
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The Phoenix Partnership (Leeds) Limited  
Officers and Professional Advisers

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Director	F X J Hester
Registered Office	Mill House Troy Road Horsforth Leeds LS18 5TN
Company Number	04077829
Statutory Auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds West Yorkshire LS1 2JT
Bankers	Lloyds TSB Bank plc PO Box 96 6/7 Park Row Leeds LS1 1NX

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 2013

#### Principal activity

The principal activity of the company continues to be the provision of computer software and support to the health sector

#### Business review

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

#### Key Performance indicators

Revenue remained constant in 2012/13

GP practices using the client's SystemOne clinical system across England and Wales increased

Staff attrition remains well below industry averages

The company has invested in developing a number of overseas markets which will hopefully lead to an increase in the company's future profitability

#### Charitable donations

In line with the company's policy of supporting locally based charities, charitable donations totalling £11,186 were made during the year

#### Director's responsibilities

The director is responsible for preparing the Director's 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). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the director is required to

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

The 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.

#### Director

The director who held office during the year was as follows

F X J Hester

The Phoenix Partnership (Leeds) Limited

Director's Report

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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 that 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

30 July 2013

We have audited the financial statements of The Phoenix Partnership (Leeds) Limited for the year ended 31 March 2013, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### Respective responsibilities of directors and auditors

As explained more fully in the Director's Responsibilities Statement set out in the Director's Report, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 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.

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Continued on next page

The Phoenix Partnership (Leeds) Limited

Independent Auditor's Report to the Members of The Phoenix Partnership (Leeds) Limited

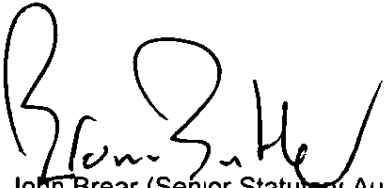
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Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



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  
West Yorkshire  
LS1 2JT

30 July 2013

The Phoenix Partnership (Leeds) Limited  
Profit and Loss Account  
Year ended 31 March 2013

	Note	2013 £	2012 £
Turnover		26,524,250	24,561,635
Cost of sales		<u>(2,723,852)</u>	<u>(1,491,601)</u>
Gross profit		23,800,398	23,070,034
Administrative expenses		<u>(15,352,717)</u>	<u>(11,514,528)</u>
Operating profit	2	8,447,681	11,555,506
Other interest receivable and similar income	5	974	454
Interest payable and similar charges		<u>(36,961)</u>	<u>-</u>
Profit on ordinary activities before taxation		8,411,694	11,555,960
Tax on profit on ordinary activities	6	<u>(2,067,210)</u>	<u>(3,047,756)</u>
Profit for the financial year	12	<u><u>6,344,484</u></u>	<u><u>8,508,204</u></u>

The above results derive from continuing operations

The company has no recognised gains or losses for the year other than the results above



The Phoenix Partnership (Leeds) Limited  
Company Registration Number 04077829  
Balance Sheet  
31 March 2013

		2013 £	2012 £
	Note		
Fixed assets			
Intangible fixed assets	7	1,144,613	1,276,711
Tangible fixed assets	8	<u>5,148,373</u>	<u>1,235,647</u>
		6,292,986	2,512,358
Current assets			
Debtors	9	5,360,996	4,317,761
Cash at bank and in hand		<u>10,283,950</u>	<u>15,193,935</u>
		15,644,946	19,511,696
Creditors: Amounts falling due within one year	10	<u>(5,522,608)</u>	<u>(11,936,440)</u>
Net current assets		<u>10,122,338</u>	<u>7,575,256</u>
Total assets less current liabilities		16,415,324	10,087,614
Provisions for liabilities		-	<u>(16,774)</u>
Net assets		<u>16,415,324</u>	<u>10,070,840</u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account	12	<u>16,414,324</u>	<u>10,069,840</u>
Shareholders' funds	13	<u>16,415,324</u>	<u>10,070,840</u>

These financial statements were approved and authorised for issue by the director on 30 July 2013

F X J Hester  
Director



The Phoenix Partnership (Leeds) Limited  
Cash Flow Statement  
Year ended 31 March 2013

		2013 £	2012 £
	Note		
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		8,447,681	11,555,506
Depreciation and amortisation charges		890,706	528,621
(Increase)/decrease in debtors		(1,086,781)	1,079,479
(Decrease)/increase in creditors		<u>(3,658,813)</u>	<u>4,921,707</u>
Net cash inflow from operating activities		4,592,793	18,085,313
Returns on investments and servicing of finance			
Interest received		974	454
Interest paid		<u>(36,961)</u>	<u>-</u>
		(35,987)	454
Taxation paid		(4,795,457)	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		<u>(4,671,334)</u>	<u>(669,377)</u>
Net cash (outflow)/inflow before management of liquid resources and financing		<u>(4,909,985)</u>	<u>17,416,390</u>
(Decrease)/increase in cash	15	<u>(4,909,985)</u>	<u>17,416,390</u>
Reconciliation of net cash flow to movement in net debt			
	Note	2013 £	2012 £
(Decrease)/increase in cash		<u>(4,909,985)</u>	<u>17,416,390</u>
Movement in net debt	15	(4,909,985)	17,416,390
Net funds/(debt) at 1 April 2012	15	<u>15,193,935</u>	<u>(2,222,455)</u>
Net funds at 31 March 2013	15	<u>10,283,950</u>	<u>15,193,935</u>

The notes on pages 10 to 16 form part of these financial statements

## 1 Accounting policies

### Basis of preparation

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

### Turnover

Turnover represents amounts receivable for goods and services net of VAT

### Depreciation

Depreciation of tangible fixed assets other than freehold land 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

### 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.

### 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.

### Leases

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

## 2 Operating profit

Operating profit is stated after charging

	2013 £	2012 £
Depreciation of owned assets	758,608	400,490
Amortisation of development expenditure	132,098	128,131
Operating lease charges - land and buildings	244,842	227,205
Auditor's remuneration	<u>12,500</u>	<u>10,800</u>

3 Auditor's remuneration

	2013 £	2012 £
Audit of the financial statements	12,500	10,800
Other fees to auditors		
Other services	12,934	20,341
	<u>25,434</u>	<u>31,141</u>

4 Staff costs

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows

	2013 No	2012 No
Administration and support	6	6
Other departments	202	142
	<u>208</u>	<u>148</u>

Employee costs, including directors, during the year -

	2013 £	2012 £
Wages and salaries	8,686,087	7,224,476
Social security costs	1,025,790	858,257
	<u>9,711,877</u>	<u>8,082,733</u>

Director's remuneration -

	2013 £	2012 £
Salaries	81,846	105,255
Benefits in kind	1,676	3,908
Aggregate remuneration	<u>83,522</u>	<u>109,163</u>

5 Other interest receivable and similar income

	2013 £	2012 £
Bank interest receivable	<u>974</u>	<u>454</u>

## 6 Taxation

### Analysis of tax charge

	2013 £	2012 £
Current tax		
Corporation tax charge	2,100,435	3,058,642
Adjustments in respect of prior periods	1,063	-
UK Corporation tax	<u>2,101,498</u>	<u>3,058,642</u>
Deferred tax		
Origination and reversal of timing differences	(36,007)	(10,886)
Deferred tax adjustment relating to previous years	3,260	-
Effect of changes in tax rates	<u>(1,541)</u>	<u>-</u>
Total deferred tax	<u>(34,288)</u>	<u>(10,886)</u>
Total tax on profit on ordinary activities	<u>2,067,210</u>	<u>3,047,756</u>

The corporation tax charge on ordinary activities for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 24% (2012 - 26%)

The differences are reconciled below

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>8,411,694</u>	<u>11,555,960</u>
Corporation tax at the standard rate	2,018,807	3,004,550
Depreciation in excess of capital allowances	36,007	13,478
Expenses not deductible for tax purposes	49,629	42,285
Adjustments in respect of prior periods	1,063	-
Research and development adjustment	<u>(4,008)</u>	<u>(1,671)</u>
Total current tax	<u>2,101,498</u>	<u>3,058,642</u>

7 Intangible fixed assets

	Development costs £	Total £
Cost		
At 1 April 2012	2,139,124	2,139,124
At 31 March 2013	2,139,124	2,139,124
Amortisation		
At 1 April 2012	862,413	862,413
Charge for the year	132,098	132,098
At 31 March 2013	994,511	994,511
Net book value		
At 31 March 2013	1,144,613	1,144,613
At 31 March 2012	1,276,711	1,276,711

8 Tangible fixed assets

	Improvements to leasehold property £	Freehold land £	Computers £	Furniture, fixtures and fittings £	Total £
Cost					
At 1 April 2012	332,497	-	1,313,402	697,141	2,343,040
Additions	83,351	2,833,149	1,642,526	112,308	4,671,334
At 31 March 2013	415,848	2,833,149	2,955,928	809,449	7,014,374
Depreciation					
At 1 April 2012	120,020	-	546,515	440,858	1,107,393
Charge for the year	88,902	-	594,070	75,636	758,608
At 31 March 2013	208,922	-	1,140,585	516,494	1,866,001
Net book value					
At 31 March 2013	206,926	2,833,149	1,815,343	292,955	5,148,373
At 31 March 2012	212,477	-	766,887	256,283	1,235,647

The Phoenix Partnership (Leeds) Limited  
Notes to the Financial Statements  
Year ended 31 March 2013

9 Debtors

	2013 £	2012 £
Trade debtors	5,006,599	3,918,919
Corporation tax	-	61,060
Other debtors	-	1,124
Deferred tax	17,514	-
Prepayments	336,883	336,658
	<u>5,360,996</u>	<u>4,317,761</u>

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

	2013 £	2012 £
Deferred tax	<u>17,514</u>	-
	<u>17,514</u>	-

Deferred tax

The movement in the deferred tax asset in the year is as follows

	£
At 1 April 2012	(16,774)
Deferred tax credited to the profit and loss account	<u>34,288</u>
At 31 March 2013	<u>17,514</u>

Analysis of deferred tax

	2013 £	2012 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>17,514</u>	<u>(16,774)</u>
	<u>17,514</u>	<u>(16,774)</u>

The Phoenix Partnership (Leeds) Limited  
Notes to the Financial Statements  
Year ended 31 March 2013

10 Creditors Amounts falling due within one year

	2013 £	2012 £
Trade creditors	715,114	307,784
Corporation tax	365,551	3,120,570
Social security and other taxes	915,794	1,417,528
Other creditors	-	35,286
Directors' loan accounts	114	534
Accruals and deferred income	3,526,035	7,054,738
	<u>5,522,608</u>	<u>11,936,440</u>

11 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No	£	No	£
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

12 Reserves

	Profit and loss account £	Total £
At 1 April 2012	10,069,840	10,069,840
Profit for the financial year	<u>6,344,484</u>	<u>6,344,484</u>
At 31 March 2013	<u>16,414,324</u>	<u>16,414,324</u>

13 Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Profit for the financial year	<u>6,344,484</u>	<u>8,508,204</u>
Net addition to shareholders' funds	6,344,484	8,508,204
Opening shareholders' funds	<u>10,070,840</u>	<u>1,562,636</u>
Closing shareholders' funds	<u>16,415,324</u>	<u>10,070,840</u>



#### 14 Commitments

##### Operating lease commitments

As at 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows

##### Operating leases which expire

	2013 £	2012 £
Land and buildings		
Within two and five years	<u>242,695</u>	<u>207,805</u>

#### 15 Analysis of net debt

	At 1 April 2012 £	Cash flow £	At 31 March 2013 £
Cash at bank and in hand	15,193,935	(4,909,985)	10,283,950
Net funds	<u>15,193,935</u>	<u>(4,909,985)</u>	<u>10,283,950</u>

#### 16 Controlling party

In the opinion of the director there is no controlling party