

**THE PHOENIX PARTNERSHIP (LEEDS)  
LIMITED**  
**Annual Report and Financial Statements 2014**

Brown Butler  
Chartered Accountants  
Leeds



The Phoenix Partnership (Leeds) Limited  
Annual Report and Financial Statements 2014  
Contents

---

Officers and professional advisers	2
Director's report	3 to 4
Strategic report	5
Independent auditor's report	6 to 7
Profit and loss account	8
Balance sheet	9
Cash flow statement	10
Notes to the financial statements	11 to 19

The Phoenix Partnership (Leeds) Limited  
Officers and Professional Advisers

---

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 director presents his annual report and the audited financial statements for the year ended 31 March 2014.

#### Principal activity

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

#### Charitable donations

In line with the company's policy of supporting locally based charities, charitable donations totalling £18,117 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;
- 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 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

---

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

23 December 2014



The director continues to be pleased with the company's performance and is expecting investment in new markets will lead to substantial increased in turnover and profitability.

#### Key Performance Indicators

Revenue increased by 16.7% on 2013 with margins being maintained.

Staff numbers increased from 208 to 240 as at the respective year ends, with total employment costs rising from £14.6m in 2013 to £20.2m in 2014. This represents the company investing in infrastructure in order to create capacity to service increased workload and prepare for the development of new market areas.

Travel expenses also increased considerably from £1.5m to £3.2m as a consequence of the company being involved in the development of new markets.

During the year the company spent £3.6m on the development of a freehold site acquired in 2013. This will provide the company with its own bespoke premises once completed. Completion of the site is expected by middle of 2015.

Expenditure on the development of new markets, as mentioned above, has yet to show benefit to the company's performance, however the director is confident that the benefits will commence shortly.

As capacity requirements grow the company needs to ensure it has the required level of capacity and expertise within its workforce. To date it has been successful in meeting this challenge and the company is known nationally as an excellent employer.

#### The Future

The director is confident that the philosophy of developing new markets and products will continue to bear fruit and further enhance the company's performances.

On behalf of the Board



F. X. J. Hester  
Director

23 December 2014

We have audited the financial statements of The Phoenix Partnership (Leeds) Limited for the year ended 31 March 2014, 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 and the Strategic 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 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 2014 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 and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Continued on next page

Continued from previous page

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

23 December 2014



The Phoenix Partnership (Leeds) Limited  
Profit and Loss Account  
Year ended 31 March 2014

	Note	2014 £	2013 £
Turnover		30,972,167	26,524,250
Cost of sales		<u>(2,746,118)</u>	<u>(2,723,852)</u>
Gross profit		28,226,049	23,800,398
Administrative expenses		<u>(21,097,090)</u>	<u>(15,352,717)</u>
Operating profit	2	7,128,959	8,447,681
Other interest receivable and similar income	5	2,466	974
Interest payable and similar charges		-	<u>(36,961)</u>
Profit on ordinary activities before taxation		7,131,425	8,411,694
Tax on profit on ordinary activities	6	<u>(1,697,216)</u>	<u>(2,067,210)</u>
Profit for the financial year	13	<u>5,434,209</u>	<u>6,344,484</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 2014

		2014 £	2013 £
	Note		
Fixed assets			
Intangible fixed assets	7	1,018,761	1,144,613
Tangible fixed assets	8	8,312,727	5,148,373
Investments	9	9,900	-
		<u>9,341,388</u>	<u>6,292,986</u>
Current assets			
Debtors	10	10,034,234	5,360,996
Cash at bank and in hand		<u>8,412,592</u>	<u>10,283,950</u>
		18,446,826	15,644,946
Creditors: Amounts falling due within one year	11	<u>(5,938,681)</u>	<u>(5,522,608)</u>
Net current assets		<u>12,508,145</u>	<u>10,122,338</u>
Net assets		<u>21,849,533</u>	<u>16,415,324</u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account	13	<u>21,848,533</u>	<u>16,414,324</u>
Shareholders' funds	14	<u>21,849,533</u>	<u>16,415,324</u>

These financial statements were approved and authorised for issue by the director on 23 December 2014.

  
F. X. J. Hester  
Director

The Phoenix Partnership (Leeds) Limited  
Cash Flow Statement  
Year ended 31 March 2014

	Note	2014 £	2013 £
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		7,128,959	8,447,681
Depreciation and amortisation charges		1,182,311	890,706
Loss on disposal of fixed assets		544	-
Increase in debtors		(4,606,501)	(1,086,781)
Increase/(decrease) in creditors		3,524	(3,658,813)
Net cash inflow from operating activities		3,708,837	4,592,793
Returns on investments and servicing of finance			
Interest received		2,466	974
Interest paid		-	(36,961)
		2,466	(35,987)
Taxation paid		(1,351,404)	(4,795,457)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(4,222,963)	(4,671,334)
Sale of tangible fixed assets		1,606	-
		(4,221,357)	(4,671,334)
Acquisitions and disposals			
Acquisition of investments in subsidiary undertakings		(9,900)	-
Net cash outflow before management of liquid resources and financing		(1,871,358)	(4,909,985)
Decrease in cash	16	(1,871,358)	(4,909,985)

Reconciliation of net cash flow to movement in net debt

	Note	2014 £	2013 £
Decrease in cash		(1,871,358)	(4,909,985)
Movement in net debt	16	(1,871,358)	(4,909,985)
Net funds at 1 April 2013	16	10,283,950	15,193,935
Net funds at 31 March 2014	16	8,412,592	10,283,950

The notes on pages 11 to 19 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.

### Exemption from preparing group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 405 of the Companies Act 2006 as it is included in the consolidated financial statements for a larger group.

### 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
Freehold land and building	4% straight line basis when in use

### 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.

### Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

### 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:

	2014 £	2013 £
Depreciation of owned assets	1,056,459	758,608
Loss on disposal of tangible fixed assets	544	-
Amortisation	125,852	132,098
Operating lease charges - land and buildings	347,242	244,842
Operating lease charges - plant and machinery	2,463	-
Auditor's remuneration	<u>16,500</u>	<u>12,500</u>

### 3 Auditor's remuneration

	2014 £	2013 £
Audit of the financial statements	16,500	12,500
Other fees to auditors		
Other services	<u>7,740</u>	<u>12,934</u>
	<u>24,240</u>	<u>25,434</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:

	2014 No.	2013 No.
Administration and support	6	6
Other departments	234	202
	<u>240</u>	<u>208</u>

Employee costs, including directors, during the year:-

	2014 £	2013 £
Wages and salaries	11,496,889	8,686,087
Social security costs	1,316,315	1,025,790
	<u>12,813,204</u>	<u>9,711,877</u>

Director's remuneration:-

	2014 £	2013 £
Salaries	102,024	81,846
Benefits in kind	1,807	1,676
Aggregate remuneration	<u>103,831</u>	<u>83,522</u>

5 Other interest receivable and similar income

	2014 £	2013 £
Bank interest receivable	257	974
Other interest receivable	2,209	-
	<u>2,466</u>	<u>974</u>

## 6 Taxation

### Analysis of tax charge

	2014 £	2013 £
Current tax		
Corporation tax charge	1,762,862	2,100,435
Adjustments in respect of prior periods	1,091	1,063
UK Corporation tax	<u>1,763,953</u>	<u>2,101,498</u>
Deferred tax		
Origination and reversal of timing differences	(62,843)	(36,007)
Deferred tax adjustment relating to previous years	(4,824)	3,260
Effect of changes in tax rates	930	(1,541)
Total deferred tax	<u>(66,737)</u>	<u>(34,288)</u>
Total tax on profit on ordinary activities	<u>1,697,216</u>	<u>2,067,210</u>

The corporation tax charge on ordinary activities for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 23% (2013 - 24%).

The differences are reconciled below:

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>7,131,425</u>	<u>8,411,694</u>
Corporation tax at the standard rate	1,640,228	2,018,807
Depreciation in excess of capital allowances	62,843	36,007
Expenses not deductible for tax purposes	61,158	49,629
Adjustments in respect of prior periods	1,091	1,063
Research and development adjustment	<u>(1,367)</u>	<u>(4,008)</u>
Total current tax	<u>1,763,953</u>	<u>2,101,498</u>

## 7 Intangible fixed assets

	Development costs £	Total £
Cost		
At 1 April 2013	<u>2,139,124</u>	<u>2,139,124</u>
At 31 March 2014	<u>2,139,124</u>	<u>2,139,124</u>
Amortisation		
At 1 April 2013	994,511	994,511
Charge for the year	<u>125,852</u>	<u>125,852</u>
At 31 March 2014	<u>1,120,363</u>	<u>1,120,363</u>
Net book value		
At 31 March 2014	<u>1,018,761</u>	<u>1,018,761</u>
At 31 March 2013	<u>1,144,613</u>	<u>1,144,613</u>

8 Tangible fixed assets

	Improvements to leasehold property £	Freehold land and building £	Computers £	Furniture, fixtures and fittings £	Total £
Cost					
At 1 April 2013	415,848	2,833,149	2,955,928	809,449	7,014,374
Additions	165,746	3,658,110	247,809	151,298	4,222,963
Disposals	-	-	-	(2,196)	(2,196)
At 31 March 2014	<u>581,594</u>	<u>6,491,259</u>	<u>3,203,737</u>	<u>958,551</u>	<u>11,235,141</u>
Depreciation					
At 1 April 2013	208,922	-	1,140,585	516,494	1,866,001
Eliminated on disposals	-	-	-	(46)	(46)
Charge for the year	<u>110,788</u>	<u>-</u>	<u>855,132</u>	<u>90,539</u>	<u>1,056,459</u>
At 31 March 2014	<u>319,710</u>	<u>-</u>	<u>1,995,717</u>	<u>606,987</u>	<u>2,922,414</u>
Net book value					
At 31 March 2014	<u>261,884</u>	<u>6,491,259</u>	<u>1,208,020</u>	<u>351,564</u>	<u>8,312,727</u>
At 31 March 2013	<u>206,926</u>	<u>2,833,149</u>	<u>1,815,343</u>	<u>292,955</u>	<u>5,148,373</u>



9 Investments held as fixed assets

	2014 £	2013 £
Shares in group undertakings and participating interests	<u>9,900</u>	<u>-</u>
Shares in group undertakings and participating interests		
	Subsidiary undertakings £	Total £
Cost		
Additions	<u>9,900</u>	<u>9,900</u>
Net book value		
At 31 March 2014	<u>9,900</u>	<u>9,900</u>

Details of undertakings

In the opinion of the director, the aggregate value of the company's investments in the subsidiary undertakings is not less than the amount included in the balance sheet. There are no results to report as at 31 March 2014.

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
TPP Healthcare Informatics India Private Limited	Preferential shares	99%	Dormant

TPP Healthcare Informatics India Private Limited is a company incorporated in India. The shares held in TPP Healthcare Informatics are Preferential 10 Rupee shares. There are no results to report as at the 31 March 2014.

10 Debtors

	2014 £	2013 £
Trade debtors	3,984,464	5,006,599
Amounts owed by group undertakings	5,677,583	-
Deferred tax	84,251	17,514
Prepayments	<u>287,936</u>	<u>336,883</u>
	<u>10,034,234</u>	<u>5,360,996</u>

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

	2014 £	2013 £
Deferred tax	<u>84,251</u>	<u>17,514</u>
	<u>84,251</u>	<u>17,514</u>

## Deferred tax

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

	£
At 1 April 2013	17,514
Deferred tax credited to the profit and loss account	<u>66,737</u>
At 31 March 2014	<u>84,251</u>

## Analysis of deferred tax

	2014 £	2013 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>84,251</u>	<u>17,514</u>
	<u>84,251</u>	<u>17,514</u>

## 11 Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	1,685,755	715,114
Corporation tax	778,100	365,551
Social security and other taxes	1,157,551	915,794
Other creditors	2,739	-
Director's loan accounts	14	114
Accruals and deferred income	<u>2,314,522</u>	<u>3,526,035</u>
	<u>5,938,681</u>	<u>5,522,608</u>

## 12 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 13 Reserves

	Profit and loss account £	Total £
At 1 April 2013	16,414,324	16,414,324
Profit for the financial year	<u>5,434,209</u>	<u>5,434,209</u>
At 31 March 2014	<u>21,848,533</u>	<u>21,848,533</u>

### 14 Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Profit for the financial year	<u>5,434,209</u>	<u>6,344,484</u>
Net addition to shareholders' funds	5,434,209	6,344,484
Opening shareholders' funds	<u>16,415,324</u>	<u>10,070,840</u>
Closing shareholders' funds	<u>21,849,533</u>	<u>16,415,324</u>

### 15 Commitments

#### Operating lease commitments

As at 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £	2013 £
Land and buildings		
Within two and five years	<u>340,000</u>	<u>242,695</u>

### 16 Analysis of net debt

	At 1 April 2013 £	Cash flow £	At 31 March 2014 £
Cash at bank and in hand	10,283,950	(1,871,358)	8,412,592
Bank overdraft	-	(1,871,358)	-
	<u>10,283,950</u>	<u>(3,742,716)</u>	<u>8,412,592</u>
Net funds	<u>10,283,950</u>	<u>(3,742,716)</u>	<u>8,412,592</u>

17 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

18 Ultimate parent company

In the opinion of the director during the year there was no controlling party .

During the year the shares were purchased by a TPP Finance Limited, a company incorporated in England. The ultimate parent company is TPPH (Leeds) Limited a company incorporated in England. The ultimate controlling party of TPPH (Leeds) Limited is F Hester, by virtue of the fact that he owns 100% of the company's share capital.