

Registration number: 03473878

**Tenet Business Solutions Limited**  
**Annual Report and Financial Statements**  
**for the Year Ended 30 September 2019**

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# Tenet Business Solutions Limited

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# **Tenet Business Solutions Limited**

## **Company Information**

### **Directors**

H M Ball  
C J Bradley  
S M Jones  
K J Craig  
M W Scanlon

### **Company secretary**

R J Fletcher  
Registered office  
5 Lister Hill  
Horsforth  
Leeds  
West Yorkshire  
LS18 5AZ

### **Solicitors**

Addleshaw Goddard LLP  
Milton Gate  
60 Chiswell Street  
London  
EC14 4AG

### **Bankers**

Lloyds Bank PLC  
1 Lovell Park Road  
Leeds  
LS1 1NS

### **Auditors**

Deloitte LLP  
1 City Square  
Leeds  
LS1 2AL

## Tenet Business Solutions Limited

### Strategic Report for the Year Ended 30 September 2019

The directors present their strategic report for the year ended 30 September 2019.

#### Review of the business

The Company's principal activities are to provide marketing, employment and IT support to Tenet Group Limited and its subsidiary companies ("the Group"). There have not been any significant changes in the company's principal activities in the year under review.

Revenue increased in the year by £983,000 to £1,496,000 due to increased activity on our Adviser Development Programme. Administrative expenses decreased as more costs were recharged to other Group companies due to a change in how recharges were calculated part way through the prior year. In the year there was an exceptional write off (£1,314,000) of computer software whereby Tenet Advantage was replaced by Intelligent Office (iO). There has been significant capital expenditure on the implementation of iO in the year.

The Company's statement of financial position shows that the net asset position has decreased by £1,234,000 to £3,027,000 (2018: £4,261,000) due to increased profits of £766,000 offset by the dividends paid of £2,000,000 (2018: £Nil).

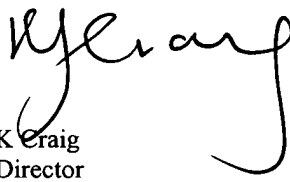
On 30 September 2019 the Company was sold from one Group company to another (See note 16).

Note 2 includes details of key assumptions used in the preparation of the Company's financial statements. There have been no significant events since the balance sheet date.

The Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

The directors are satisfied with the results for the year and expect lower levels of cost and income in the coming year. From 1 October 2019 marketing, employment and IT support is provided by another Group company. Costs will still be recharged to other Group companies as relevant. ADP income will be administered by another Group company.

Approved by the Board on 6 February 2020 and signed on its behalf by:



K Craig  
Director

## Tenet Business Solutions Limited

### Directors' Report for the Year Ended 30 September 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

#### Directors' of the company

The directors, who held office during the year and up to the date of this report, were as follows:

H M Ball  
C J Bradley  
S M Jones  
K J Craig  
M W Scanlon (appointed 15 April 2019)

#### Dividends

The directors recommend a dividend of £2,000,000 (2018: nil).

#### Future developments and post balance sheet events

There have been no post balance sheet events. At the date of this report, the directors are not aware of any likely major changes in the Company's activities in the next year which have not already been described in the strategic report.

#### Directors' Indemnities

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the directors of the Company, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as directors of the Company.

#### Principal Risks and Uncertainties

The Company's principal activities are to provide marketing, employment and IT support to Tenet Group Limited and its subsidiary companies, the Company risks are minimal due to all these costs being recharged to other group companies. From June 2018, the Company became responsible for all the Group's external advisor events. With this, the Company now faces external revenue risks, particularly with regards to competitive pressures within the market. The Company manages this risk by providing added value to its services and maintaining a strong relationships with advisors.

#### Going concern

As highlighted in the Group's Annual Report, although the current economic conditions create uncertainty in respect of the level of demand for financial services products the company has a profitable business model. Although not directly involved in the sale of financial services products, the Company's business model is intrinsically linked to the performance of other Group companies which are exposed to economic conditions. The Company's forecasts and projections, including sensitivity analysis taking into account reasonably possible adverse changes in trading performance, show that the Company should continue to trade profitably in future years despite the current uncertain economic outlook. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully in the present challenging economic environment.

The Company has an adequate level of financial resources with net assets of £3.0m (2018: £4.3m) and no bank debt or other financial liabilities with any restrictive or financial covenants. It has long established relationships with a large number of product providers and suppliers across a diverse geographical area within the U.K, with no significant credit risk exposure to any single counterparty other than the Group.

## Tenet Business Solutions Limited

### Directors' Report for the Year Ended 30 September 2019 (continued)

#### Going concern (continued)

As stated in Note 2, taking these factors into account, and after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

#### Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of which the auditor is unaware.

#### Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, appropriate arrangements are being made for Deloitte LLP to be deemed re-appointed as auditor of the Company in the absence of an Annual General Meeting.

#### Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

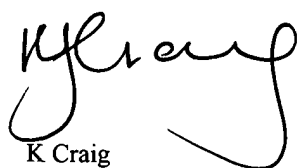
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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 directors are 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Board on 6 February 2020 and signed on its behalf by:



K Craig  
Director

# Tenet Business Solutions Limited

## Independent Auditor's Report

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Tenet Business Solutions Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30<sup>th</sup> September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial positions;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### 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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **Tenet Business Solutions Limited**

### **Independent Auditor's Report (continued)**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

#### **Responsibilities of directors**

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, and for such internal control as the directors determine is 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 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 company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 an auditor's report 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## **Tenet Business Solutions Limited**

### **Independent Auditor's Report (continued)**

#### **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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **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 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.



Peter Birch FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

6 February 2020

## Tenet Business Solutions Limited

### Income Statement for the Year Ended 30 September 2019

	Note	2019 £000	2018 £000
Turnover	2	1,496	513
Cost of sales		-	-
Gross profit		1,496	513
Administrative expenses		(139)	(513)
Operating profit	4	1,357	-
Impairment loss on investment	10	-	(115)
Exceptional costs	7	(1,314)	-
Profit/(Loss) before tax		43	(115)
Tax on profit/(loss) on ordinary activities	8	723	(256)
Profit/(loss) for the year		766	(371)

The above results were derived from continuing operations.

The notes on pages 12 to 20 form an integral part of these financial statements.

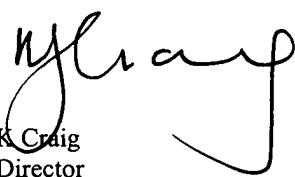
## Tenet Business Solutions Limited

(Registration number: 03473878)

### Statement of Financial Position as at 30 September 2019

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	9	3,371	4,142
Investments	10	119	119
		<u>3,490</u>	<u>4,261</u>
<b>Current assets</b>			
Trade and other receivables	11	5,635	5,313
Cash at bank and in hand		18	5
		<u>5,653</u>	<u>5,318</u>
<b>Trade and other payables</b>	12	<u>(6,116)</u>	<u>(5,318)</u>
<b>Net current (liabilities)/assets</b>		<u>(463)</u>	<u>-</u>
<b>Net assets</b>		<u>3,027</u>	<u>4,261</u>
<b>Capital and reserves</b>			
Called up share capital	13	2,712	2,712
Profit and loss account		315	1,549
		<u>3,027</u>	<u>4,261</u>
<b>Shareholders' funds</b>		<u>3,027</u>	<u>4,261</u>

The financial statements of Tenet Business Solutions Limited were approved by the Board on 6 February 2020 and signed on its behalf by:

  
K. Craig  
Director

The notes on pages 12 to 20 form an integral part of these financial statements.

## Tenet Business Solutions Limited

### Statement of Changes in Equity for the Year Ended 30 September 2019

	<b>Share capital £000</b>	<b>Retained earnings £000</b>	<b>Total £000</b>
At 1 October 2018	2,712	1,549	4,261
Profit for the year	-	766	766
Dividends paid	-	(2,000)	(2,000)
Total comprehensive income	-	(1,234)	(1,234)
At 30 September 2019	2,712	315	3,027

	<b>Share capital £000</b>	<b>Retained earnings £000</b>	<b>Total £000</b>
At 1 October 2017	2,712	1,920	4,632
Loss for the year	-	(371)	(371)
Total comprehensive expense	-	(371)	(371)
At 30 September 2018	2,712	1,549	4,261

The notes on pages 12 to 20 form an integral part of these financial statements.

## **Tenet Business Solutions Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2019**

#### **1 General information**

The company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is:

5 Lister Hill  
Horsforth  
Leeds  
West Yorkshire  
LS18 5AZ

#### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council and ("FRS 101") as issued by the Financial Reporting Council and has, in doing so, applied the requirements of FRS 1.6-33 and related appendices. No adjustment of the prior year financial statements was required.

The financial statements have been prepared on the historic cost basis. The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to standards issued but not yet effective, financial instruments, presentation of a cash-flow statement and related party transactions. Where required, equivalent disclosures are given in the Group financial statements of Tenet Group Limited. The Group financial statements of Tenet Group Limited are available to the public.

As stated in the Directors' Report, after making enquiries the directors have a reasonable expectation that the company has adequate resources to continue trading successfully and fully comply with its regulatory requirements for 12 months from the date of the directors report. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

#### **2 Accounting policies**

##### **New accounting standards**

*The following new accounting standards, which have been issued and adopted by the EU, have been adopted as of 1 Oct 2018 by the Company:*

*IFRS 9 Financial instruments*

*IFRS 15 Revenue from Contracts with Customers*

## Tenet Business Solutions Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019 (continued)

#### 2 Accounting policies (continued)

##### New accounting standards (continued)

###### a) IFRS 9 Financial Instruments

The Company has adopted IFRS 9 Financial instruments, which replaces IAS 39. There has been no material impact arising from the adoption of IFRS 9, therefore, this has not resulted in any additional amounts recognised in the financial statements for the Company.

IFRS 9 introduces new requirements for the following areas;

- The classification and measurement of financial assets and financial liabilities;
- Impairment of financial assets; and
- General hedge accounting.

###### *Classification and measurement of financial assets and financial liabilities*

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value based on how the Company manage the financial assets and their contractual cash flow characteristics.

Management have reviewed and assessed the Company's existing financial assets and liabilities based on the facts and circumstances on transition and concluded that the initial application of IFRS 9 has had no impact on classification and measurement.

###### *Impairment of financial assets*

The only impact on the consolidated financial statements is in relation to the impairment of trade receivables within financial assets.

IFRS 9 requires an expected credit loss (ECL) model as opposed to an incurred credit loss model under the previous accounting standard. The ECL model requires the Company to account for a lifetime ECL and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. On this basis, it is no longer necessary for a default event to have occurred before credit losses are recognised. As a consequence of this change, credit losses are recognised earlier than under IAS 39.

IFRS 9 requires the Company to assess the risk profile of its trade receivables. The Company analysed the risk profile of trade receivables based on past experience and an analysis of the receivables current financial position, adjusted for specific factors, general economic conditions of the industry in which the receivables operate and assessment of both the current and forecast direction of conditions at the reporting date. The Company has performed the calculation of ECL under IFRS 9 and concluded there have been no change to the amounts disclosed in the accounts.

###### *General hedge accounting*

The Company does not apply hedge accounting, therefore, this is not applicable.

###### b) IFRS 15 Revenue from contracts with customers

The Company has adopted IFRS 15 Revenue from contracts with customers, which replaces IAS 18. IFRS 15 proposes a 5-step approach, which requires revenue to be matched with the performance of the related contractual obligations. The key concept in IFRS 15, is when control has passed or performance obligation has been completed, which replaces the notion of risks and rewards in IAS 18. We have elected to apply the practical expedients available in the transitional requirements of IFRS 15, C2 to C8, to apply this retrospectively only to contracts which are not completed at the date of initial application. Applying IFRS 15, has not resulted in any adjustment. The ADP income is recognised when the service is performed.

## Tenet Business Solutions Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019 (continued)

#### 2 Accounting policies (continued)

*New standards, amendments and improvements to IFRS, applicable to the next accounting period.*

The following new accounting standards have been issued and adopted by the EU, which are applicable to the next accounting period;

##### *IFRS 16 Leases*

IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right of use asset' for virtually all lease contracts. As a practical expedient there are optional exemptions for certain short term leases and leases of low value assets.

The Group is currently assessing the impact of IFRS 16 but cannot accurately quantify the impact at this stage.

#### **Revenue recognition**

All revenue relates to the principal activities described in the Strategic Report and arises in the United Kingdom.

Revenue is measured at the fair value of the consideration received or receivable and represents commissions and fees receivable, other amounts receivable from product providers and sales of services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### **Tax**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are only recognised when it is probable that the Company will be able to realise these benefits. Deferred tax liabilities are recognised when incurred. These are recognised at the substantially enacted tax rates.

#### **Property, plant and equipment**

Property, plant and equipment is stated at cost net of depreciation. Depreciation is provided at rates calculated to write off the cost, less the estimated residual value of each asset over its estimated useful life, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold improvement	5 years - straight line
Fixtures and fittings	5 years - straight line
Computer equipment & software	3 - 7 years - straight line

Assets under construction are not depreciated until completed.

#### **Investments**

Investments are included at cost less amounts written off for permanent impairment.

## Tenet Business Solutions Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019 (continued)

#### 2 Accounting policies (continued)

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### Trade receivables

Trade and other receivables are classified as financial assets measured at amortised cost. Under the IFRS 9 ECL model, a credit event (or impairment trigger) no longer needs to occur before credit losses are recognised. The Company analysed the risk profile of trade receivables based on past experience and an analysis of the receivables current financial position, potential for a default event to occur, adjusted for specific factors, general economic conditions of the industry in which the receivables operate and assessment of both the current and forecast direction of conditions at the reporting date. A default event is considered to occur when information is obtained that indicates a receivable is unlikely to settle their liability with the Company.

Credit risk is regularly reviewed by management to ensure the expected credit loss model (ECL) is being appropriately applied.

##### Trade payables

Trade payables are other financial liabilities initially measured at fair value and subsequently measured at amortised cost.

##### Leases

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term even if the payments are not made on such a basis.

##### Pensions

The Company contributes to a defined contribution pension scheme administered by another Group company. The amount charged to the income statement relates to the contributions payable in the year. Differences arising between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### Financial assets and liabilities

###### *Classification and measurement of financial assets and liabilities*

Classification of financial assets and liabilities are generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at amortised cost if it is held with the objective of collecting the contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. There are currently no other financial assets which are measured at fair value through other comprehensive income or profit or loss.

#### 3 Critical Accounting Judgements

##### Capitalisation of internally generated software assets

In the year, we have incurred significant costs relating to internally generated intangible software assets. These have been capitalised in accordance with IAS38. A judgement has been made as to when the project moved from the research to the development phase, was able to be capitalised and also whether costs were directly attributable. This has been made in accordance with the criteria in IAS38, p57.



## Tenet Business Solutions Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019 (continued)

#### 4 Operating profit

Operating profit is arrived at after charging:

	2019 £000	2018 £000
Depreciation expense	1,033	1,195
Impairment of investment	-	(115)
Operating lease expense - property	233	241
Operating lease expense - other	50	102
Auditor's remuneration	10	4
Staff costs	666	215

Audit fees for the Company are borne by Tenet Group Limited on behalf of all the Group companies, an allocation has been made, for disclosure purposes.

#### 5 Staff costs

All staff utilised by the Company in the delivery of its services are employed by Tenet Group Limited. Tenet Business Solutions Limited is responsible for the payment of the remuneration of all Tenet Group Limited employees, including the directors of the Company, and it receives recompense from the Group in respect of this service through management recharges.

The amounts disclosed below relate to amounts which are incurred by the Company and have not been recharged to the Group by the Company.

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £000	2018 £000
Wages and salaries	580	187
Social security costs	57	19
Pension costs, defined contribution scheme	29	9
	666	215

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administration and support	14	5
Directors	5	5
	19	10

## Tenet Business Solutions Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019 (continued)

#### 6 Directors' remuneration

The fees or emoluments of all directors were paid by Tenet Business Solutions Ltd.

Four (2018: Three) of the Directors are executives of the ultimate parent undertaking, Tenet Group Limited, and their remuneration is disclosed within Tenet Group Limited consolidated accounts. The remaining one (2018: one) director is also a director of other Group companies, during the year the director received total remuneration of £109,000 (2018: £243,000) and £18,000 (2018: £16,000) defined contribution pension benefit. No allocation between the services is made.

#### 7 Exceptional costs

The exceptional costs for the year were as follows:

	2019 £000	2018 £000
Impairment of computer software	(1,314)	-

#### 8 Income tax

Tax (credit)/ charge in the income statement

	2019 £000	2018 £000
Current taxation	(550)	302
Deferred taxation	(173)	(46)
UK corporation tax	(723)	256

The tax on profit before tax for the year is less than (2018: more than) the standard rate of corporation tax in the UK of 19% (2018: 19.0%).

The differences are reconciled below:

	2019 £000	2018 £000
Profit before tax	43	(115)
Corporation tax at standard rate	8	(22)
Tax effects of;		
-depreciation and assets subject to capital allowances written off	266	-
-capital allowances	(421)	(159)
-group relief	147	(143)
Prior year adjustments	550	-
Additional deferred taxation recognised	173	68
Total tax credit/ (charge)	723	(256)

#### Deferred tax

There are £544,000 of deductible temporary differences (2018: £372,000) which are recognised as a deferred tax asset at the substantially enacted tax rate of 17%.

## Tenet Business Solutions Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019 (continued)

#### 9 Property, plant and equipment

	Leasehold improvements £000	Fixtures and fittings £000	Assets under construction £000	Computer equipment & software £000	Total £000
<b>Cost or valuation</b>					
At 1 October 2017	676	249	958	6,306	8,189
Additions	73	4	665	1,029	1,771
Transfers	-	-	(337)	337	-
<b>At 30 September 2018</b>	<b>749</b>	<b>253</b>	<b>1,286</b>	<b>7,672</b>	<b>9,960</b>
At 1 October 2018	749	253	1,286	7,672	9,960
Additions	11	2	1,838	372	2,223
Disposals/impairment	-	-	(172)	(4,176)	(4,348)
Transfers	-	-	(2,801)	2,801	-
<b>At 30 September 2019</b>	<b>760</b>	<b>255</b>	<b>151</b>	<b>6,669</b>	<b>7,835</b>
<b>Depreciation</b>					
At 1 October 2017	259	129	-	4,235	4,623
Charge for year	77	49	-	1,069	1,195
Eliminated on disposal	-	-	-	-	-
<b>At 30 September 2018</b>	<b>336</b>	<b>178</b>	<b>-</b>	<b>5,304</b>	<b>5,818</b>
At 1 October 2018	336	178	-	5,304	5,818
Charge for year	77	41	-	915	1,033
Eliminated on disposal	-	-	-	(2,387)	(2,387)
<b>At 30 September 2019</b>	<b>413</b>	<b>219</b>	<b>-</b>	<b>3,832</b>	<b>4,464</b>
<b>Carrying amount</b>					
<b>At 30 September 2019</b>	<b>347</b>	<b>36</b>	<b>151</b>	<b>2,837</b>	<b>3,371</b>
<b>At 30 September 2018</b>	<b>413</b>	<b>75</b>	<b>1,286</b>	<b>2,368</b>	<b>4,142</b>

## Tenet Business Solutions Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019 (continued)

#### 10 Fixed Asset Investments

	<b>£000</b>
<b>Cost</b>	
At 1 October 2018	234
At 30 September 2019	234
<b>Impairment</b>	
At 1 October 2018	(115)
At 30 September 2019	(115)
<b>Net Book Value</b>	
At 30 September 2019	119
At 30 September 2018	119

The Group's fixed asset investments comprise 5.94% of the shares in Tungate Capital Plc.

#### 11 Trade and other receivables

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade receivables	782	424
Receivables from related parties	3,161	3,512
Prepayments	1,010	1,005
Other receivables	138	-
Deferred tax asset	544	372
	5,635	5,313

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

The Company reviews all trade receivables for recoverability, and provides against a proportion of the debt, which is judged irrecoverable. No trade or other receivables were deemed to be irrecoverable at the reporting date.

## Tenet Business Solutions Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019 (continued)

#### 12 Trade and other payables

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade payables	486	318
Accrued expenses	1,761	792
Amounts due to related parties	3,459	3,512
Taxation	-	302
Other payables	410	394
	<b>6,116</b>	<b>5,318</b>

The directors consider that the carrying amount of trade and other payables approximates their fair value. Amounts due to related parties are repayable on demand.

#### 13 Share capital

##### Allotted, called up and fully paid shares

	<b>2019</b>		<b>2018</b>	
	No.	£	No.	£
Ordinary Shares of £1 each	2,712,416	2,712,416	2,712,416	2,712,416

#### 14 Financial Commitments

##### Operating leases

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

##### Land and buildings:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Within one year	283	297
In the second to fifth years inclusive	841	796
After five years	-	364
	<b>1,124</b>	<b>1,457</b>

## **Tenet Business Solutions Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2019 (continued)**

#### **15 Related party transactions**

##### **Summary of transactions with parent entities**

As a wholly owned subsidiary, the company has taken advantage of the exemption in FRS 101 “Related Party Transactions” from disclosing related party transactions with other entities included in the consolidated financial statements of Tenet Group Limited.

#### **16 Parent and ultimate parent undertaking**

The company is a wholly owned subsidiary of TenetConnect Limited registered at 5 Lister Hill, Horsforth, Leeds, LS18 5AZ, a company incorporated in England and Wales. The directors consider that Tenet Group Limited is the company’s ultimate parent undertaking and is the controlling party.

Tenet Group Limited is the smallest and largest group in which the results of the Company are consolidated. Copies of the accounts of Tenet Group Limited are available from 5 Lister Hill, Horsforth, Leeds, LS18 5AZ.