

UCL Partners Limited
Company limited by guarantee
Financial Statements
31 March 2017

UCL Partners Limited
Company limited by guarantee
Financial Statements
Year ended 31 March 2017

Contents	Page
Strategic report	1
Directors' report	7
Directors' responsibilities statement	9
Independent auditor's report to the members	10
Statement of income and retained earnings	12
Statement of financial position	13
Statement of cash flows	14
Notes to the financial statements	15

UCL Partners Limited
Company limited by guarantee
Strategic Report
Year ended 31 March 2017

The directors present their annual report together with the audited financial statements for UCL Partners Limited ("UCLPartners") for the period 1 April 2016 to 31 March 2017. This incorporates the strategic report which includes a review of the business, its strategic risks and a review of our financial performance, and a directors' report.

Governance

UCLPartners Board

The role of the UCLPartners Board is to act as the custodian of UCLPartners' values: patient-led, population-focused, developed in partnership and delivered at pace. Its members champion partnership working and create collaboration opportunities across and beyond the partnership with organisations that share UCLPartners' strategic goals. The Board oversees the development and delivery of UCLPartners' strategy and is accountable for ensuring that company risks, legal responsibilities and resources are managed effectively. The Board holds the Managing Director to account on running the business ensuring its alignment with the vision of UCLPartners.

Board sub committees

- **Remuneration committee**

In alignment with the company vision and values, this committee ensures the remuneration practice of the company encourages enhanced performance and, in a fair and responsible manner, rewards individuals for their personal contribution to the success of the company.

- **Nominations Committee**

This committee nominates appointments of individuals to act as directors of the company. The members of the committee are directors appointed by the partners under article 12.1. The company chair is also the chair of this committee.

- **Audit and Risk Committee**

The UCLPartners Audit and Risk Committee considers issues relating to UCLPartners' internal control framework with regards to the company's governance and financial arrangements. It reports to the UCLPartners Board on the adequacy and effectiveness of UCLPartners' arrangements for risk management, control and governance and the company's finances.

During the year this included an in depth review of the internal governance processes to ensure they remain fit for purpose in light of changes in senior management roles.

Strategic risks

A comprehensive risk management process exists within UCLPartners covering all the assets and activities of the business including operational, reputational and financial risks.

The Board and its sub-committees take account of risk during their deliberations. Risks are regularly reviewed by operational directors and reported to the Board and/or Audit and Risk Committee on a quarterly basis, or escalated as required.

In regards to conflicts of interest, UCLPartners asks all members of the Board to declare conflicts and action is taken as appropriate on a case-by-case basis.

UCL Partners Limited
Company limited by guarantee
Strategic Report
Year ended 31 March 2017

Principal risks and uncertainties

The following strategic risks have been identified:

- UCLPartners is unable to seek new opportunities and deliver partner expectations as a result of not adapting its strategic vision to counteract the impact of Brexit on the business and its academic and life science partners. As the economic impact of Brexit continues to remain uncertain it is difficult for our innovators within the NHS and university, medical device and life sciences industries, to prepare for the future. To mitigate this UCLPartners continues to engage in local and national dialogue and is closely monitoring developments so that the business can adapt its strategy and activities and minimise any relevant risks in response to any changes in the UK's trading and economic position.
- Unrelenting financial pressures and the operationalisation of NHS Sustainability and Transformation Partnerships (STPs) may result in partners becoming inwardly focused, leading to the wider partnership becoming disengaged. This could lead to UCLPartners being unable to leverage the different parts of the system to improve population health and wellbeing across the footprint. The business continues to work with the local STP teams and provide leadership and support to partners participating in our programmes. This will ensure they do not lose the ability to innovate locally or lose access to intelligence at a national level, which could happen if they choose to focus inwards.
- As the company approaches the end of its current term as an Academic Health Science Network (AHSN) the continued lack of clarity on key aspects of future licensing requirements could affect its ability to support the partnership. To mitigate this risk UCLPartners continues to be actively involved in the innovation and improvement agenda, liaising with NHS England and NHS Improvement about the approach to supporting STPs. The business is also actively contributing to national discussions on the development of the Industrial Strategy and the work of the Office of Life Sciences to create Innovation Exchanges.
- Recognising the changing landscape with the triggering of Article 50, the development of STPs and the potential impact of AHSN relicensing it will be key that UCLPartners ensures it has the appropriate leadership, skills and knowledge to support the system and influence the local, regional and national agenda. There is a risk that the business is not agile enough to adapt to these changes, which may affect UCLPartners' reputation. The business continues to seek out senior leaders who can support the delivery of the emerging agenda and enable the business to secure new work programmes beyond our traditional borders.

The Board is satisfied that a rigorous process has been followed to identify these risks and that suitable mitigations are in place. The Board recognises, due to external influences, the organisation can only supply reasonable assurance and not guarantee that major risks will be managed by the partnership.

People

UCLPartners continues to build a skilled and competent workforce that is aligned around delivery of its strategic priorities; supporting and enabling partners to deliver improvements as well as building capability in the partnership through secondment opportunities.

Employment

Over the past year UCLPartners has provided employment to an average of 91 people; 57 have been direct employees, 32 were working on a secondment basis from partner organisations. We have employed an average of 2 agency staff over the year to help with projects. In line with our approach to build capability across the partnership most of our secondees are clinical and academic leaders from partner organisations. Their expertise helps drive the work of UCLPartners in a way that benefits patients and staff on the front line of health and care. Secondees are encouraged to share the

UCL Partners Limited
Company limited by guarantee
Strategic Report
Year ended 31 March 2017

knowledge they gain at UCLPartners and embed it in their own organisations. UCLPartners continues to second team members to organisations across the partnership to provide bespoke support as needed.

Staff development

UCLPartners is committed to developing its employees and through regular performance development reviews, staff are able to identify training needs and opportunities with their managers. In addition to bespoke support for individual needs UCLPartners offers, and has access to, a wide range of courses including: UCLPartners Introduction to Quality Improvement; Lynda (an online education programme); IHI Open School Basic Certificate; UCL training programmes.

Health and wellbeing

Opportunities are provided to ensure staff feel valued, supported, developed and empowered. We aim to create an environment where staff can achieve their full potential, are encouraged to look after their health and to maintain a healthy work-life balance. To assist this, the company has supported a number of initiatives led by a staff group (Healthy and Resilient Employees Group) during the year, including: mindfulness sessions, yoga, discounted memberships at local gyms, lunchtime walks, and mental health awareness sessions.

The number of work days lost to sickness leave totalled 298.5 for 2016/17 which is equivalent to 5.2 days per employee. This number has increased from 1.8 days per employee in 2015/16 but is consistently below the average for the NHS, which is 6.7 days per employee. We are actively managing the increases we have seen over the past year through our sickness absence policy and procedure.

As part of the company employment package UCLPartners offers a generous pension scheme to all staff who join the organisation. UCLPartners contributes 10% of an employee's salary into the scheme and staff are welcome to contribute as much or as little as they wish. All our staff are automatically covered in our life insurance scheme and have the option to use child care vouchers.

Staff communication and engagement

UCLPartners recognises that its success is dependent on its staff; their knowledge, skills, and level of engagement with the company strategy and priorities. The company is committed to regularly reviewing its channels of communications and lines of feedback to ensure that staff remain actively engaged and can act as ambassadors.

During the year UCLPartners undertook a staff opinion survey and followed this up with small group meetings with the Managing Director to understand how the company could more effectively engage with staff. In response, a number of changes have taken place to improve lines of communication and ensure that staff views are taken into account in decisions that may affect their interests.

Channels for engagement include, but are not limited to:

- Monthly staff team brief – includes an update from the Managing Director with an opportunity to ask questions. In response to staff feedback, these sessions regularly include team building exercises and interactive work to address real issues
- Weekly staff newsletter – provides a round-up of operational updates, including introductions to new team members
- Staff intranet – a platform for sharing news and updates with staff in addition to storing company policies and guidelines
- Team meetings – led by operational directors to discuss local priorities and to provide strategic company updates.

The company reviews these channels on a regular basis and makes improvements as needed.

UCL Partners Limited
Company limited by guarantee
Strategic Report
Year ended 31 March 2017

Environment

As a company, we make every effort to minimise our impact on the environment. There is a recycling scheme in place for mixed recyclables and food waste. The office uses energy efficient, motion-activated lighting. Staff are encouraged to use public transport when travelling to meetings and working at different sites and printers have been reconfigured to only print when documents are released at the printer to reduce paper.

Financial Report

UCL Partners Limited is a company limited by guarantee, by partner NHS and university organisations. The majority of revenue received is from the public sector and other not-for-profit organisations. In keeping with this, annual surpluses are not distributed but are reinvested in furtherance of the principle aims and objectives of the company. A reserve is maintained to safeguard the financial sustainability of the company.

In 2016/17 UCLPartners has focussed on delivering the following key priorities as set out in its business plan for the year:

- **Discovery science** – harnessing world-class academic and clinical expertise to speed up the development of new treatments, diagnostics and prevention strategies
- **Innovation into practice** – enabling academics, healthcare professionals, industry and patients to work together to speed up innovation into routine practice in the NHS and social care
- **Population health and place-based care** – supporting population-based transformation for the six million people served by the partnership and those further afield.

These priorities have been delivered in the context of enabling the ongoing financial sustainability of the company to ensure the benefits to partners, patients and the population can be maximised.

Our partners and other bodies have funded us to enable delivery of these priorities. The three largest contracts delivered in 2016/17 were:

- £2.9m AHSN contract with NHS England, a 6% reduction from £3.1m in 2015/16. Key achievements in 2016/17 have included:
 - Delivery of Human Factors training and Quality Improvement training to enable individuals to enhance quality and patient safety in the local health system
 - Establishment of a Primary Care Development programme to support capability building which will enable the development and implementation of new models of care and system-wide planning across the partnership.
- £1.6m Lead Provider contract commissioned by Health Education England to ensure the quality of postgraduate medical and dental education. During 2016/17 key deliverables have included:
 - A multi-professional leadership development programme for 55 healthcare professionals including junior doctors, nurses and allied health professionals. All participants undertook a quality improvement programme linked to their trust with prizes awarded for 'patient impact' and 'innovation'
 - A successful multi-professional education conference on the theme of 'Educational Innovation through Partnership' with approximately 200 healthcare professionals and stakeholders in attendance.
- £0.3m Join Dementia Research (JDR) contract with Papworth Hospital NHS Foundation Trust to develop a consent platform to support the UK-wide public engagement & research recruitment service that was a key deliverable of the Prime Minister's Challenge on Dementia.

UCL Partners Limited
Company limited by guarantee
Strategic Report
Year ended 31 March 2017

In addition to the above we have delivered a further ten programmes of work valued at over £100,000 in year.

Income

Due to the nature and variety of UCLPartners' commissioned activities turnover can vary significantly year on year as some programmes of work come to an end and others begin. This is manifest in a 36% reduction in turnover to £9.8m (2015/16: £15.4m). The UCLH cancer cardiac reconfiguration (£2.0m) and Newham programme (£1.2m) contributed significantly to turnover in 2015/16.

Our existing and future planned revenues come from various sources with 35% of our revenue coming from NHS England in 2016/17 (2015/16: 46%), 23% from Health Education England (2015/16: 18%) and 21% from Clinical Commissioning Groups and NHS trusts excluding partner contributions (2015/16: 19%). The remaining 21% of revenue comes from a variety of sources including charities and industry.

Income is derived from a combination of contracts, partnership contributions and grant funding to deliver commissioned programmes of work. Programmes and projects can range in length from one month to five years which helps to ensure a sustainable business model. This is also shown in our year end cash balance of £9.9m.

Expenditure

The majority of expenditure is directly related to delivering programme therefore this has also decreased by 37% to £9.6m (2015/16: £15.2m).

Approximately 51% of our expenditure is pay related which is an increase from 42% in 2015/16, driven by contract requirements. Of this, 71% is for employed staff and 24% for staff seconded to us from our partners to provide specialist and clinical leadership to programmes. The remaining 5% is for agency staff who are recruited to enable us to start projects quickly, whilst we recruit accordingly.

The majority of our non-pay costs are directly related to delivering our programmes. Of total expenditure (pay and non-pay) 23% is attributable to corporate costs. As the company continues to develop, we remain focused on ensuring all corporate costs are minimised.

Outturn

This has enabled the delivery of a surplus of £193k, or 2.0% of turnover, comparable with the 2015/16 surplus of £219k (1.4% of turnover).

Assets and liabilities

Our capital asset base has decreased by 22% to £203k (2015/16: £260k) as a result of depreciation and amortisation charges for the year; there have been no significant additions or disposals.

Net assets have increased by 38% contributing to our increased sustainability. The current ratio has increased from 1.04 to 1.06 demonstrating increased working capital availability to support ongoing delivery of our activities.

Financial governance

As in previous years we have undertaken activities to review and continue to improve upon our current financial governance arrangements and systems. In 2016/17 this included completion of:

- HMRC's partial exemption "toolkit" which was released in July 2016 to support partially exempt businesses in completing their VAT returns appropriately
- A government anti-fraud self-assessment checklist to review the adequacy of existing anti-fraud controls.

UCL Partners Limited
Company limited by guarantee
Strategic Report
Year ended 31 March 2017

Going concern

After making due enquiries and undertaking normal business planning and budgeting procedures, the directors consider that UCLPartners has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have continued to adopt the going concern basis in preparing the Financial Statements.

This report was approved by the board of directors on 7 June 2017 and signed on behalf of the board by:



Professor the Lord A Kakkar
Chairman



Diana Rawstron
Company Secretary

Registered office:
170 Tottenham Court Road
London
W1T 7HA

UCL Partners Limited
Company limited by guarantee

Directors' Report

Year ended 31 March 2017

The directors present their report and the financial statements of the company for the year ended 31 March 2017.

Incorporation

UCLPartners incorporated on 15th April 2009 and is a company limited by guarantee.

Directors

The directors who served the company during the year were as follows:

Professor the Lord A Kakkar	
Professor M Arthur	
Baroness T Blackstone	
D Dodd	
Professor S Field	
Professor S Gaskell	
H Jameson	
Professor D Lomas	
Professor M McKee	
R Murley	
I Peters	(Appointment 1 April 2017)
T Green	(Appointed 19 September 2016)
Dr D Gillings	(Resigned 14 March 2017)
E Chidgey	(Resigned 9 March 2017)
C Prior	(Resigned 9 March 2017)
J Bacon	(Resigned 17 October 2016)
Professor Sir D Fish	(Resigned 19 September 2016)
A Nebel	(Resigned 19 September 2016)

Dividends

UCLPartners does not pay dividends and any profit is reinvested into delivering programmes for the benefit of the local population.

Future developments

A continually evolving national landscape across healthcare combined with developing Governmental strategies for industry, accelerated access to healthcare innovation, and Brexit requires UCLPartners to focus on its unique contribution and added value to its partners, patients and populations. UCLPartners' key strength continues to lie in its ability to connect the entire translational pathway from discovery through to implementation and evaluation. Creating connections across the designated roles (Academic Health Science Centre, Academic Health Science Network, Clinical Research Network, Collaboration for Leadership in Applied Health Research and the Genomic Medicine Centre) continues to be an organisational priority.

As many of our partners are finding their place in the forming of STPs, UCLPartners needs to balance the need for stability in supporting its partners alongside its unrelenting commitment to identify new opportunities for transforming the health and wellbeing of patients and populations. To achieve this, the company will continue to be focused on the following three themes:

- **Discovery science** to harness world-class academic and clinical expertise to speed up the development of new treatments, diagnostics and prevention strategies.

UCL Partners Limited
Company limited by guarantee
Directors' Report
Year ended 31 March 2017

- **Innovation and improvement into practice** to enable academics, healthcare professionals, industry and patients to work together to speed up innovation into routine practice and create lasting improvement in the NHS and social care.
- **Population health** to support healthcare transformation for the six million people served by the partnership and those further afield. This will include providing a platform of support for organisations that are connecting across the system to deliver sustainable population-based (or place-based) care.

These three themes are interconnected in a variety of ways. For example, UCLPartners' work in population health draws on underpinning academia and the company's expertise in innovation and improvement.

Financial instruments

UCLPartners only has basic financial instruments, such as cash, debtors and creditors, which are measured at the transaction price and the latter reviewed for impairments. We do not require any hedging policies to mitigate increased risk associated with complex financial instruments.

Our exposure to price and credit risk is minimal and our exposure to liquidity and cash flow risks are low.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 7 June 2017 and signed on behalf of the board by:



Professor the Lord A Kakkar
Chairman



Diana Rawstron
Company Secretary

Registered office:
170 Tottenham Court Road
London
W1T 7HA

UCL Partners Limited
Company limited by guarantee
Directors' Responsibilities Statement
Year ended 31 March 2017

The directors are responsible for preparing the strategic report, directors' 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

UCL Partners Limited

Company limited by guarantee

Independent Auditor's Report to the Members of UCL Partners Limited

Year ended 31 March 2017

We have audited the financial statements of UCL Partners Limited for the year ended 31 March 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017, and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion 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

UCL Partners Limited

Company limited by guarantee

Independent Auditor's Report to the Members of UCL Partners Limited

Year ended 31 March 2017

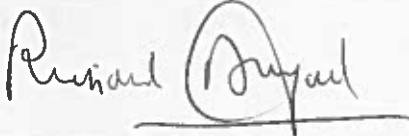
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 directors' remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit.



Richard Dunford (Senior Statutory Auditor)

For and on behalf of
Richard Dunford & Co
Chartered accountant & statutory auditor

26 High Trees Avenue
Bournemouth
BH8 9JX

7 June 2017

UCL Partners Limited

Company limited by guarantee

Statement of Income and Retained Earnings

Year ended 31 March 2017

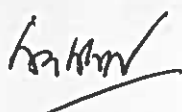
	Note	2017 £	2016 £
Turnover	4	9,756,789	15,427,664
Staff costs	7	4,845,091	6,413,250
Depreciation and other amounts written off tangible and intangible fixed assets		76,268	87,103
Other operating charges		4,608,577	8,651,605
Operating profit	5	226,853	275,706
Other interest receivable and similar income		21,231	11,802
Profit on ordinary activities before taxation		248,084	287,508
Tax on profit on ordinary activities	9	55,012	68,676
Profit for the financial year and total comprehensive income		193,072	218,832
Retained earnings at the start of the year		508,410	289,578
Retained earnings at the end of the year		701,482	508,410

All the activities of the company are from continuing operations.

UCL Partners Limited
Company limited by guarantee
Statement of Financial Position
31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	10	13,504	33,021
Tangible assets	11	<u>189,704</u>	<u>227,014</u>
		203,208	260,035
Current assets			
Debtors	12	2,678,643	6,336,649
Cash at bank and in hand		<u>9,935,439</u>	<u>5,637,573</u>
		12,614,082	11,974,222
Creditors: amounts falling due within one year	13	<u>11,939,030</u>	<u>11,515,202</u>
Net current assets		675,052	459,020
Total assets less current liabilities		878,260	719,055
Provisions			
Taxation including deferred tax	14	4,825	8,397
Other provisions	15	<u>171,953</u>	<u>202,248</u>
		176,778	210,645
Net assets		<u>701,482</u>	<u>508,410</u>
Capital and reserves			
Profit and loss account		<u>701,482</u>	<u>508,410</u>
Members' funds		<u>701,482</u>	<u>508,410</u>

These financial statements were approved by the board of directors and authorised for issue on 7 June 2017, and are signed on behalf of the board by:



Professor the Lord A Kakkar
Chairman

Company registration number: 06878225

UCL Partners Limited
Company limited by guarantee
Statement of Cash Flows
Year ended 31 March 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	193,072	218,832
<i>Adjustments for:</i>		
Depreciation of tangible assets	37,310	54,088
Amortisation of intangible assets	38,958	33,015
Other interest receivable and similar income	(21,231)	(11,802)
Loss on disposal of tangible assets	–	38,512
Tax on profit on ordinary activities	55,012	68,676
<i>Changes in:</i>		
Trade and other debtors	3,658,006	(1,812,363)
Trade and other creditors	444,454	(880,119)
Provisions and employee benefits	(30,295)	97,441
Cash generated from operations	4,375,286	(2,193,720)
Interest received	21,231	11,802
Tax paid	(79,210)	(48,947)
Net cash from/(used in) operating activities	<u>4,317,307</u>	<u>(2,230,865)</u>
Cash flows from investing activities		
Purchase of tangible assets	–	(9,976)
Proceeds from sale of tangible assets	–	190,000
Purchase of intangible assets	(19,441)	–
Net cash (used in)/from investing activities	<u>(19,441)</u>	<u>180,024</u>
Net increase/(decrease) in cash and cash equivalents	4,297,866	(2,050,841)
Cash and cash equivalents at beginning of year	5,637,573	7,688,414
Cash and cash equivalents at end of year	<u>9,935,439</u>	<u>5,637,573</u>

UCL Partners Limited
Company limited by guarantee
Notes to the Financial Statements
Year ended 31 March 2017

1. Statement of compliance

The Company's financial statements have been prepared in compliance with Financial Reporting Standard 102 ('FRS 102'), 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

2. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with FRS 102. UCLPartners is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling rounded to the nearest pound.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services, grants and donations.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period, provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated revenue is recognised only to the extent that expenses recognised are recoverable.

Government grants are recognised in accordance with the accrual model on a systematic basis over the period in which the related costs for which the grant is intended to compensate are recognised. Grants from non-government sources are recognised when the company is entitled to the income and performance related conditions have been met.

Donations are recognised at the point UCLPartners is entitled to the funds.

Taxation

Corporation tax is calculated at 20% of profit less disallowable expenses (e.g. depreciation). Capital allowances are claimed on fixed assets and accounted for within deferred tax. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. The de minimis threshold for capitalisation is £5,000.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

UCL Partners Limited
Company limited by guarantee
Notes to the Financial Statements
Year ended 31 March 2017

Software costs - 3 years.

Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The de minimis threshold for capitalisation is £5,000.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives, using the straight-line method. The rates applicable are:

Short term leasehold improvements - 10 years

Fixtures and fittings - 10 years.

Investments in associates

Investments in associates are recorded at cost less any accumulated impairment losses.

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) for a past event, it is probable that a payment will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted when the time value of money is considered material.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

3. Company limited by guarantee

UCL Partners Limited is a company limited by guarantee, by partner NHS and university organisations, incorporated in England. The Registered Office is 3rd Floor 170 Tottenham Court Road, London W1T 7HA.

UCL Partners Limited
Company limited by guarantee
Notes to the Financial Statements
Year ended 31 March 2017

4. Turnover

Turnover arises from:

	2017	2016
	£	£
AHSN	2,898,572	3,122,085
Partner	1,290,000	1,300,000
NHS	4,816,014	9,602,592
Non NHS	752,203	1,402,987
	<u>9,756,789</u>	<u>15,427,664</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit is stated after charging:

	2017	2016
	£	£
Defined contribution pension expense	<u>260,557</u>	<u>279,447</u>

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>11,775</u>	<u>8,550</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017	2016
	No	No
Employed	57	73
Secondment	32	40
Agency	2	3
	<u>91</u>	<u>116</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	4,246,537	5,721,702
Social security costs	337,997	412,101
Other pension costs	260,557	279,447
	<u>4,845,091</u>	<u>6,413,250</u>

UCL Partners Limited
Company limited by guarantee
Notes to the Financial Statements
Year ended 31 March 2017

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	219,700	172,830
Company contributions to defined contribution pension plans	15,500	6,267
Sums paid to third parties in respect of directors' services	34,099	68,390
	<u>269,299</u>	<u>247,487</u>

Emoluments of the highest paid director were £122,000 (2016: £106,601). Company pension contributions of £15,500 (2016: £nil) were made to a money purchase scheme on the highest paid director's behalf.

9. Tax on profit on ordinary activities

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	58,584	79,211
Deferred tax:		
Origination and reversal of timing differences	(3,572)	(10,535)
Tax on profit on ordinary activities	<u>55,012</u>	<u>68,676</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017	2016
	£	£
Profit on ordinary activities before taxation	248,084	287,508
Profit on ordinary activities by rate of tax	49,617	57,502
Effect of expenses not deductible for tax purposes	5,395	11,174
Effect of capital allowances and depreciation	3,572	10,535
Tax on profit on ordinary activities	<u>58,584</u>	<u>79,211</u>

UCL Partners Limited
Company limited by guarantee
Notes to the Financial Statements
Year ended 31 March 2017

10. Intangible assets

	Software costs £
Cost	
At 1 April 2016	99,054
Additions	19,441
At 31 March 2017	<u>118,495</u>
Amortisation	
At 1 April 2016	66,033
Charge for the year	38,958
At 31 March 2017	<u>104,991</u>
Carrying amount	
At 31 March 2017	<u>13,504</u>
At 31 March 2016	<u>33,021</u>

11. Tangible assets

	Short term leasehold improvements £	Fixtures and fittings £	Total £
Cost			
At 1 April 2016 and at 31 March 2017	262,238	110,855	373,093
Depreciation			
At 1 April 2016	118,007	28,072	146,079
Charge for the year	26,224	11,086	37,310
At 31 March 2017	<u>144,231</u>	<u>39,158</u>	<u>183,389</u>
Carrying amount			
At 31 March 2017	<u>118,007</u>	<u>71,697</u>	<u>189,704</u>
At 31 March 2016	<u>144,231</u>	<u>82,783</u>	<u>227,014</u>

12. Debtors

	2017 £	2016 £
Trade debtors	2,301,608	6,238,620
Prepayments and accrued income	377,035	98,029
	<u>2,678,643</u>	<u>6,336,649</u>

UCL Partners Limited
Company limited by guarantee
Notes to the Financial Statements
Year ended 31 March 2017

13. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,651,624	1,701,260
Accruals and deferred income	9,872,413	9,469,404
Corporation tax	58,584	79,211
Social security and other taxes	347,114	257,594
Other creditors	9,295	7,733
	<u>11,939,030</u>	<u>11,515,202</u>

14. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017	2016
	£	£
Included in provisions (note 15)	<u>4,825</u>	<u>8,397</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Accelerated capital allowances	<u>3,572</u>	<u>10,535</u>

15. Provisions

	Deferred tax (note 14)	Other provisions	Total
	£	£	£
At 1 April 2016	8,397	202,248	210,645
Released during the year	<u>(3,572)</u>	<u>(30,295)</u>	<u>(33,867)</u>
At 31 March 2017	<u>4,825</u>	<u>171,953</u>	<u>176,778</u>

16. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £260,557 (2016: £279,447).

17. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	465,018	386,340
Later than 1 year and not later than 5 years	1,629,637	1,855,862
Later than 5 years	-	238,793
	<u>2,094,655</u>	<u>2,480,995</u>

UCL Partners Limited
Company limited by guarantee
Notes to the Financial Statements
Year ended 31 March 2017

18. Associates

UCL Partners Limited has a 35% holding in ordinary shares of Projectmatch Ltd. The company prepares accounts to 30 June. Accounts are not included as the company is dormant; the aggregate amount of share capital and reserves is £10.

