Wolters Kluwer Health (Europe) Limited

Annual report and financial statements
Registered number 02582344
31 December 2016

Contents

Strategic report

The directors present their strategic report for the year ended 31 December 2016.

Business review and future developments

The principal activity of Wolters Kluwer Health (Europe) Limited (the Company) is the holding company for two UK subsidiaries and one Mexican subsidiary that form part of the Wolters Kluwer Health group. Wolters Kluwer Health is a global publisher of medical, nursing and allied health information resources in book, journal, newsletter and loose leaf formats.

The results of the Company for the year, as set out on page 6 to 8, shows a loss on ordinary activities before taxation of £90,000 (2015: £51,000). The shareholders' funds of the Company total £2,049,000 (2015: £2,127,000).

The aim of the Company is to maximise shareholder wealth, revenues and profit before tax, as well as increasing customer base which is inherently linked to financial targets.

Key performance indicators

	2016	2015
	£'000	£'000
Shareholders' Funds	2,049	2,127
Loss after tax	(78)	(32)

The Company continues to hold shareholdings in subsidiaries and there are no plans to change its strategic approach.

Principal risks and uncertainties

The Company is exposed to the risk of an impairment on its investments should any of its subsidiaries suffer a downturn in its trading operations.

A corporate policy for managing risk is followed, which involves regular disclosures covering all aspects of the business. The Wolters Kluwer Health group's Internal Controls Officer reports on these items regularly to the senior Wolters Kluwer Health management team, and the audit and risk committee at Wolters Kluwer's head office.

The company is a member of the Wolters Kluwer group bank pooling arrangement in the UK group in order to minimise interest rate exposure.

By order of the board

Kevin Joseph
Director
Croner House
145 London Road
Kingston Upon Thames
Surrey KT2 6SR

Company registered number: 02582344

Date: 1 June 2018

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Proposed dividend

The directors do not propose the payment of a dividend *(2015: £Nil).*

Directors

The directors who served during the period were as follows:

Ian Price	(resigned 20 January 2016)
Deyonne Epperson	(resigned 15 December 2017)
Kevin Joseph	(appointed 20 January 2016)
Peter Reilly	(appointed 15 December 2017; resigned 5 April 2018)

All directors benefited from qualifying third party indemnity provisions and qualifying pension scheme indemnity provisions in place during the financial year and at the date of this report.

Going concern

As stated in Note 1 to the financial statements, the directors believe that the Company will be able to continue as a going concern for the foreseeable future, notwithstanding net current liabilities of £3.87m due to the following factors: a) Equity injection of £13m by way of a share issue on 22 May 2018 and b) confirmation from the company's largest group company creditor that the debt will not be called upon for at least a period of 12 months or more. With the equity injection, the company has strengthened into a net current assets position and therefore no longer appear to have any apparent threat as a going concern. The Company forms an important part of the Wolters Kluwer group's Health division, selling its products through other group entities. The Company's products are a valuable part of the division's portfolio of products. No events or circumstances have been identified that may cast significant doubt on the ability of the Company to continue as a going concern. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future with the continued support of the Wolters Kluwer group. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Political and charitable contributions

The Company made no political or charitable donations (2015: nil) or incurred any disclosable political expenditure during the year.

Directors' Report *(continued)*

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the 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.

By order of the board

K Joseph
Director

Date: 1 June 2018

145 London Road
Kingston Upon Thames
Surrey
KT2 6SR
Registration Number 02582344

Statement of directors' responsibilities in respect of the Strategic report and the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS101 Reduced Disclosure Framework.

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 then 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 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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOLTERS KLUWER HEALTH (EUROPE) LIMITED

We have audited the financial statements of Wolters Kluwer Health (Europe) Limited for the year ended 31 December 2016 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS101 Reduced Disclosure Framework.

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 set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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 Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006

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.

Chris Walters

Chris Walters (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 1 JUNE 2018

Profit and Loss Account and Other Comprehensive Income

	Note	2016 £000	2015 £000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administration costs		(82)	(49)
Operating loss		(82)	(49)
Interest payable and similar expenses	4	(8)	(2)
Loss before taxation	2	(90)	(51)
Tax on loss	5	12	19
Loss for the financial year		(78)	(32)

The accompanying notes set out on pages 9 to 20 form an integral part of these financial statements.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

All results derive from continuing activities.

There were no other recognised gains or losses for either the current year or the prior year.

Balance sheet

	Note	2016 £'000	2015 £'000
Fixed assets			
Investments	7	5,982	5,982
		5,982	5,982
Current assets			
Debtors	8	4,594	6,192
Cash at bank and in hand		743	865
		5,337	7,057
Creditors: amounts falling due within one year	9	(9,206)	(10,569)
Net current liabilities		(3,869)	(3,512)
Total assets less current liabilities		2,113	2,470
Provision for liabilities			
Pension liability	10	(64)	(343)
Net Assets		2,049	2,127
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account		2,048	2,126
Shareholders' funds		2,049	2,127

The notes set out on pages 9 to 20 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 1 June 2018 and signed on its behalf by:

Kevin Joseph
Director
Wolters Kluwer Health (Europe) Limited
Registered number 02582344

Statement of Changes in Equity
Year ended 31 December 2016

	Called up Share Capital	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance at 1 January 2015	1	2,158	2,159
Total comprehensive income for the year			
Loss for the year	-	(32)	(32)
Total comprehensive income for the year	-	(32)	(32)
Balance at 31 December 2015	1	2,126	2,127

	Called up Share Capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2016	1	2,126	2,127
Total comprehensive income for the year			
Loss for the year	-	(78)	(78)
Total comprehensive income for the year	-	(78)	(78)
Balance at 31 December 2016	1	2,048	2,049

The notes set out on pages 9 to 20 form an integral part of these financial statements.

Notes to the financial statements

(forming part of the financial statements)

1 Accounting policies

Wolters Kluwer Health (Europe) Limited is a company incorporated and domiciled in the UK. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

a) Basis of preparation

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

There financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS101"). The amendments to FRS101 (2014/15 Cycle) issued in July 2015 and have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Wolters Kluwer N.V., includes the Company in its consolidated financial statements. The consolidated financial statements of Wolters Kluwer N.V. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Zuidpoolsingel 2, P.O. Box 1030, 2400 BA, Alphen aan den Rijn, The Netherlands.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the reclassification of items in the financial statements;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

Notes to the financial statements *(continued)*

Accounting policies *(continued)*

As the consolidated financial statements of Wolters Kluwer N.V. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

b) Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on page 1. The financial position of the company is set out in the Balance Sheet on page 7.

The directors believe that the Company will be able to continue as a going concern for the foreseeable future, notwithstanding net current liabilities of £3.88m due to the following factors: a) Equity injection of £13m by way of a share issue on 22 May 2018 and b) confirmation from the company's largest group company creditor that the debt will not be called upon for at least a period of 12 months or more. With the equity injection, the company has strengthened into a net current assets position and therefore no longer appear to have any apparent threat as a going concern.

The directors thus continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Notes to the financial statements *(continued)*

Accounting policies *(continued)*

d) Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

i. they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

ii. where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

e) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes to the financial statements *(continued)*

Accounting policies *(continued)*

f) Business combinations

Subject to the transitional relief in IFRS 1, all unincorporated business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the company.

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the company measures goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable balances arising in the periods beginning after 1 January 2016 is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For contingent consideration balances arising in the periods beginning before 1 January 2016: Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

g) Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

Notes to the financial statements *(continued)*

Accounting policies *(continued)*

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is reversed if and only if the reasons for the impairment have ceased to apply.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

i) Foreign currency

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. All translation differences are taken to the profit and loss account.

j) Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an

Notes to the financial statements *(continued)*

Accounting policies *(continued)*

asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

k) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes to the financial statements *(continued)*

2 Loss on ordinary activities

Included in the profit and loss are the following:

	2016 £000	2015 £000
Foreign exchange gains and losses	**311**	44
Release of pension cost provision (See note 10)	**(234)**	(67)
Auditor's remuneration	**5**	3

3 Directors and employees

All directors are employed by a subsidiary company. The directors received no emoluments in respect of services provided to the Company (2015: *£nil*) and it is believed that no allocation of directors emoluments should be absorbed by the company.

The Company does not employ any personnel directly, but draws on resources of other group undertakings for its business requirements.

4 Interest payable and similar expenses

	2016 £000	2015 £000
Intercompany interest paid	**8**	2
	8	2

Notes to the financial statements *(continued)*

5 Tax on loss on ordinary activities

	2016 £000	2015 £000
UK Corporation tax		
Current tax on income for the period	-	-
Current tax (credit) / charge	-	-
Deferred tax		
Origination and reversal of temporary differences	(16)	(9)
Adjustment in respect of prior periods	-	(16)
Reduction in tax rate	4	6
Total deferred tax	(12)	(19)
Tax on loss (credit)	(12)	(19)

The above tax credit will be recovered via the surrender of group relief to fellow subsidiary companies.

Factors affecting the tax charge for the current period
The current tax charge for the period is higher (2015: lower) than the standard rate of corporation tax in the UK (20.00%, 2015: 20.25%). The differences are explained below.

Reconciliation of effective tax rate

	2016 £'000	2015 £000
Loss before taxation	(90)	(51)
Tax using the UK corporation tax rate of 20.00% *(2015:20.25 %)*	(18)	(10)
Effect of:		
Reduction in tax rate on deferred tax balances	4	7
Prior period adjustments	-	(16)
Timing differences	2	-
Total tax credit for the period	**(12)**	(19)

The reduction for the current rate of 20% effective from 1st April 2015 was substantively enacted on 2 July 2013. In the Budget on 16th March 2016, the Chancellor announced additional planned reductions to 17% by 2020.

Notes *(continued)*

6 Deferred tax

Recognised deferred tax assets

Deferred tax assets and liabilities are attributable to the following:

	2016	2015
	£'000	£'000
Deferred tax asset	75	63
Deferred tax comprises:		
Short term timing differences	11	48
Tax losses carried forward and other deductions	64	15
Total	75	63

Movement in deferred tax during the year:

	2016	2015
	£'000	£000
Opening deferred tax asset	63	44
Timing differences recognised in profit and loss account	12	19
Closing deferred tax asset	75	63

Notes *(continued)*

7 Investments

	2016 £000	2015 £000
Cost		
At 1 January	**5,982**	5,982
At 31 December	**5,982**	5,982

The shares are shown at historical cost value at acquisition.

Subsidiary Companies

The Company has the following investments in subsidiaries:

	Registered office	Class and percentage of shares held
Wolters Kluwer Health (Professional and Education) Limited	145 London Road, Kingston upon Thames, KT2 6SR UK	Ordinary 100%
Wolters Kluwer Health (Medical Research) Limited	145 London Road, Kingston upon Thames, KT2 6SR UK	Ordinary 100%
Wolters Kluwer Health Professional and Education Mexico, S.A. de C.V.	Montecito No. 38 Col. Nápoles Piso 35 Oficina 31 y 32 Del. Benito Juarez CDMX C.P. 03810 Mexico	Ordinary 95%

There were no changes to Class and percentage of shares held in the period

Notes *(continued)*

8 Debtors

	2016 £000	2015 £000
Amounts owed by group undertakings	**4,509**	6,000
Deferred Tax	**75**	63
Corporation Tax	**10**	129
	4,594	6,192

9 Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings	**9,200**	10,558
Other creditors	**6**	11
	9,206	10,569

10 Provision for liabilities

Pension costs

At 31 December 2012 an estimate of recharges to be made in relation to group pension schemes was provided for. This provision was reviewed at 31 December 2016 and released as the group company Wolters Kluwer UK Plc, has released Wolters Kluwer Health (Europe) Limited from all commitments regarding group pension schemes. The remaining provision is attributable to charges already made post 31 December 2016 and up to the date of the release of commitment.

	2016 £000	2015 £000
1 January	**343**	418
(Released)	**(234)**	(67)
Utilised	**(45)**	(8)
31 December	**64**	343

11 Called up share capital

	2016 £000	2015 £000
Allotted and fully paid		
1,000 ordinary shares of £1 each	**1**	1

Notes *(continued)*

12 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The immediate parent company at 31 December 2016 was Wolters Kluwer Holdings (UK) Plc, a company incorporated in England.

The ultimate parent company at 31 December 2016 was Wolters Kluwer N.V., a company incorporated in The Netherlands.

The largest and smallest group in which the results of the Company are consolidated is that headed by Wolters Kluwer NV, incorporated in the Netherlands. Copies of the group financial statements of Wolters Kluwer NV may be obtained from Wolters Kluwer N.V., Stadhouderskade 1, P.O. Box 818. 1000 AV Amsterdam, Netherlands.

13 Subsequent events

The company issued shares totalling £13m on 22 May 2018.

14 Reconciliation of movements in shareholders funds

	2016	2015
	£000	£000
Loss for the year	**(78)**	(32)
Opening shareholders funds	**2,127**	2,159
Closing shareholders funds	**2,049**	2,127