

**DPAS Limited**

**Annual report and consolidated  
financial statements**

**Registered number 03247652**

**31 December 2016**

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## **Directors' report**

The directors present their Directors' report and consolidated financial statements for the year ended 31 December 2016. This includes DPAS Limited and its subsidiaries.

### **Principal activities and business review**

The Company's principal activity is acting on behalf of its dental practice and patient customers to provide and administer private dental plans and arranging dental insurance for patients.

Against a continuing background of tough trading conditions, turnover in the year to 31 December 2016 increased by 5.2%. The directors expect the upward trend in revenue to continue in the future.

Operating profit for the year has increased by 28%, despite non-recurring costs of £447,827 related to the relocation of the business.

### **Risks**

As a provider of payment collection and insurance services the company faces relatively few risks. Transactions in Ireland are in Euros and therefore the company faces a negligible currency exposure. Insurance is underwritten by a specialist insurer, which bears risk of loss. The only significant potential threat to the company is considered to be a shift in Government policy toward increased NHS dental access with practices that decide to leave having their UDAs (Unit of Dental Activity) reallocated to other local NHS dentists. This may potentially dampen dentists' enthusiasm to become private in the face of local competition from dentists remaining in the NHS.

### **Going Concern**

The Company has sufficient financial resources together with an established customer base. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Based on current forecasts, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

### **Proposed dividend**

No dividends were paid or proposed in the year ended 31 December 2016.

### **Directors**

The directors who held office during the year were as follows:

G Anders	appointed 1 December 2015
A Farooq	appointed 1 December 2015
E McKenzie	appointed 1 December 2015

## Directors' report *(continued)*

### Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

### Strategic Report

The directors have taken advantage of the exemption in the Companies Act 2006 (section 414B) for including a Strategic Report in the financial statements, on the grounds that the Company is small.

### 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



**G Anders**  
Director  
18<sup>th</sup> July 2017

Cambrian Works  
Oswestry  
SY11 1HS

## **Statement of directors' responsibilities in respect of the annual report and the financial statements**

The directors are responsible for preparing the 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 group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 group and parent company and their profit or loss for that period. In preparing each of the group and parent company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG LLP

Gateway House  
Tollgate  
Chandlers Ford  
SO53 3TG  
United Kingdom

## **Independent auditor's report to the members of DPAS Limited**

We have audited the financial statements of DPAS Limited for the year ended 31 December 2016 set out on pages 6 to 30. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 3, 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](http://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 group's and of the parent company's affairs as at 31 December 2016 and of the group's profit 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 matter prescribed by the Companies Act 2006**

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

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report; or
- we have not received all the information and explanations we require for our audit.

*W. Smith*

**William Smith (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants**

*20th July 2017*

**Consolidated Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2016*

	<i>Note</i>	2016 Total £	2015 Total £
<b>Turnover</b>	2	6,519,457	6,196,043
Cost of sales		(2,141,344)	(2,056,703)
<b>Gross profit</b>		<u>4,378,113</u>	<u>4,139,340</u>
Administrative expenses		(1,690,736)	(1,901,469)
Non recurring expenses	3	(447,827)	(490,497)
<b>Group operating profit</b>		<u>2,239,550</u>	<u>1,747,374</u>
Other interest receivable and similar income	6	266,211	26,350
Interest payable and similar expenses	7	-	(5,691)
<b>Profit before taxation</b>		2,505,761	1,768,033
Tax on profit	8	(460,072)	(114,071)
<b>Profit for the financial year</b>		<u>2,045,689</u>	<u>1,653,962</u>
<b>Total comprehensive income for the year</b>		<u>2,045,689</u>	<u>1,653,962</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations. There are no recognised gains and losses other than those passing through the profit and loss account.



## Consolidated Balance Sheet at 31 December 2016

	Note	2016	2015
		£	£
<b>Fixed assets</b>			
Tangible assets	9	122,565	131,637
		<u>122,565</u>	<u>131,637</u>
<b>Current assets</b>			
Debtors (including £4,932,587 (2015: £139,295) due after more than one year)	11	12,315,678	7,351,642
Investments	10	1,663,822	1,580,123
Cash at bank and in hand	12	2,152,573	4,022,799
		<u>                    </u>	<u>                    </u>
<b>Creditors: amounts falling due within one year</b>	13	(9,893,329)	(8,762,502)
<b>Net current assets</b>		<u>6,238,744</u>	<u>4,192,062</u>
<b>Total assets less current liabilities</b>		<u>6,361,309</u>	<u>4,323,699</u>
<b>Creditors: amounts falling due after more than one year</b>	14	-	(8,079)
		<u>                    </u>	<u>                    </u>
<b>Net assets</b>		<u>6,361,309</u>	<u>4,315,620</u>
<b>Capital and reserves</b>			
Called up share capital	18	60,886	60,886
Share premium account		705,846	705,846
Capital Redemption Reserve		57	57
Profit and loss account		5,594,520	3,548,831
		<u>                    </u>	<u>                    </u>
<b>Shareholders' funds</b>		<u>6,361,309</u>	<u>4,315,620</u>

These financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



**G Anders**  
Director  
18<sup>th</sup> July 2017

Company registered number: 03247652

## Company Balance Sheet

At 31 December 2016

	Note	2016	2015
		£	£
<b>Fixed assets</b>			
Tangible assets	9	122,565	131,637
		<b>122,565</b>	<b>131,637</b>
<b>Current assets</b>			
Debtors (including £4,932,587 (2015: £139,295) due after more than one year)	11	11,346,907	6,437,823
Cash at bank and in hand	12	2,140,749	4,009,060
		<b>(8,848,591)</b>	<b>(7,943,894)</b>
<b>Creditors: amounts falling due within one year</b>	13		
<b>Net current assets</b>		<b>4,639,065</b>	<b>2,502,989</b>
<b>Total assets less current liabilities</b>		<b>4,761,630</b>	<b>2,634,626</b>
<b>Creditors: amounts falling due after more than one year</b>	14	<b>(2,981,303)</b>	<b>(1,795,712)</b>
<b>Net assets</b>		<b>1,780,327</b>	<b>838,914</b>
<b>Capital and reserves</b>			
Called up share capital	18	60,886	60,886
Share premium account		705,846	705,846
Capital redemption reserve		57	57
Profit and loss account		1,013,538	72,125
<b>Shareholders' funds</b>		<b>1,780,327</b>	<b>838,914</b>

These financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



**G Anders**

Director

18<sup>th</sup> July 2017

Company registered number: 03247652

## Consolidated Statement of Changes in Equity

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
Balance at 1 January 2015	56,743	93,889	57	2,835,755	2,986,444
<b>Total comprehensive income for the period</b>					
Profit or loss	-	-	-	1,657,006	1,657,006
<b>Total comprehensive income for the period</b>	-	-	-	1,657,006	1,657,006
Transactions with owners, recorded directly in equity	4,143	611,957			616,100
Dividends	-	-	-	(943,930)	(943,930)
<b>Total contributions by and distributions to owners</b>	4,143	611,957		(943,930)	(327,830)
<b>Balance at 31 December 2015</b>	<b>60,886</b>	<b>705,846</b>	<b>57</b>	<b>3,548,831</b>	<b>4,315,620</b>

## Consolidated Statement of Changes in Equity

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
Balance at 1 January 2016	60,886	705,846	57	3,548,831	4,315,620
<b>Total comprehensive income for the period</b>					
Profit or loss	-	-	-	2,045,689	2,045,689
	—	—	—	—	—
Total comprehensive income for the period	-	-	-	2,045,689	2,045,689
	—	—	—	—	—
<b>Balance at 31 December 2016</b>	<b>60,886</b>	<b>705,846</b>	<b>57</b>	<b>5,594,520</b>	<b>6,361,309</b>
	—	—	—	—	—

## Company Statement of Changes in Equity

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
Balance at 1 January 2015	56,743	93,889	57	44,752	195,441
<b>Total comprehensive income for the period</b>					
Profit or loss	-	-	-	971,303	971,303
	—	—	—	—	—
Total comprehensive income for the period	-	-	-	971,303	971,303
	—	—	—	—	—
Transactions with owners, recorded directly in equity	4,143	611,957			616,100
Dividends	-	-	-	(943,930)	(943,930)
	—	—	—	—	—
Total contributions by and distributions to owners	4,143	611,957	-	(940,930)	(327,830)
	—	—	—	—	—
<b>Balance at 31 December 2015</b>	<b>60,886</b>	<b>705,846</b>	<b>57</b>	<b>72,125</b>	<b>838,914</b>
	—	—	—	—	—

## Company Statement of Changes in Equity

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
Balance at 1 January 2016	60,886	705,846	57	72,125	838,914
<b>Total comprehensive income for the period</b>					
Profit or loss	-	-	-	941,413	941,413
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	941,413	941,413
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2016</b>	<b>60,886</b>	<b>705,846</b>	<b>57</b>	<b>1,013,538</b>	<b>1,780,327</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## Consolidated Cash Flow Statement for year ended 31 December 2016

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Profit for the year		2,045,689	1,653,962
Adjustments for:			
Depreciation, amortisation and impairment		60,717	68,064
Interest receivable and similar income		(266,211)	(26,350)
Interest payable and similar charges		-	5,691
Gain on sale of tangible fixed assets		-	-
Equity settled share-based payment expenses		-	3,044
Taxation		460,072	114,071
		<hr/>	<hr/>
		2,300,267	1,818,482
(Increase)/decrease in trade and other debtors		(266,074)	692,837
(Decrease)/increase in trade and other creditors		938,626	1,335,962
		<hr/>	<hr/>
		2,972,819	3,847,280
Dividends paid		-	(943,930)
Tax paid		(241,455)	(345,299)
		<hr/>	<hr/>
<b>Net cash from operating activities</b>		2,731,364	2,558,051
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Loan to group company		(4,800,000)	-
Proceeds from sale of tangible fixed assets		-	-
Interest received		266,211	26,350
Acquisition of tangible fixed assets	9	(51,644)	(45,962)
		<hr/>	<hr/>
<b>Net cash from investing activities</b>		(4,585,433)	(19,612)
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital		-	616,100
Interest paid		-	(5,691)
Payment of finance lease liabilities		(16,157)	(10,466)
		<hr/>	<hr/>
<b>Net cash from financing activities</b>		(16,157)	599,943
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		(1,870,226)	3,138,382
Cash and cash equivalents at 1 January 2016		4,022,799	884,417
		<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December 2016</b>	12	2,152,573	4,022,799
		<hr/>	<hr/>

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

DPAS Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Group has made no measurement and recognition adjustments, apart from the lease commitments in note 15.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Group and Company has not retrospectively changed its accounting under old UK GAAP.

#### **1.1 Measurement convention**

The financial statements are prepared on the historical cost basis.

#### **1.2 Going concern**

For the year ended 31 December 2016, the Group recorded net profit of £2,045,689 and had net assets of £6,361,309. The Group has sufficient financial resources together with an established customer base. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. Based on current forecasts, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.



## Notes (continued)

### 1 Accounting policies (continued)

#### 1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2016. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

#### 1.4 Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

#### 1.5 Basic financial instruments

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets include investment property whose fair value cannot be measured reliably without undue cost or effort.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.9 below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Fixtures and Fittings                      4 years
- Office Equipment                         4 years
- Motor Vehicles                            4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.7 Employee benefits

##### *Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

##### *Share-based payment transactions*

The share option programme allows employees to acquire shares of the company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

#### 1.8 Turnover

Turnover comprises amounts received by the Company in respect of services provided, excluding value added tax.

#### 1.9 Expenses

##### *Operating lease*

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 unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### *Finance lease*

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. 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).

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 they accrue, 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.

## **Notes** *(continued)*

### **1**      **Accounting policies** *(continued)*

#### **1.10**    **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 timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes (continued)

### 2 Turnover

	2016 £	2015 £
Rendering of services in Europe	6,519,457	6,196,043
Total turnover	<u>6,519,457</u>	<u>6,196,043</u>

### 3 Expenses and auditor's remuneration

	2016 £	2015 £
<b>Profit on ordinary activities before taxation is stated after charging/(crediting)</b>		
Depreciation and other amounts written off tangible and intangible fixed assets:		
Owned	<u>60,717</u>	<u>68,064</u>
<b>Non-recurring costs</b>		
Relocation Costs	447,827	-
Legal costs for indirect tax dispute with HMRC	-	160,462
Corporate Finance Services	<u>-</u>	<u>330,034</u>

These costs are considered non-recurring by the directors due to their one-off nature. Legal costs for the ongoing indirect tax dispute are due to one particular change of taxation policy by HMRC, and the directors believe that in any case much of these costs will be recoverable.

#### Auditor's remuneration:

	2016 £	2015 £
Audit of these financial statements	21,710	20,110
Amounts receivable by the company's auditor and its associates in respect of:		
Other tax advisory services	8,300	8,300
IXBRL tagging	800	800
FRS102 Impact Assessment	<u>-</u>	<u>4,000</u>

## Notes (continued)

### 4 Staff numbers and costs

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

	Number of employees	
	2016	2015
Administration	23	26
Sales and Marketing	7	9
Management	10	14
	<u>40</u>	<u>49</u>

The aggregate payroll costs of these persons were as follows:

	2016 £	2015 £
Wages and salaries	1,071,210	1,177,112
Share based payments (See note 17)	-	3,044
Social security costs	111,865	113,882
Contributions to defined contribution plans	59,186	67,547
	<u>1,242,261</u>	<u>1,361,585</u>

### 5 Directors' remuneration

	2016 £	2015 £
Directors' remuneration	169,904	153,278
Company contributions to money purchase pension plans	-	8,800
	<u>169,904</u>	<u>162,078</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £169,904 (2015: £89,375), and company pension contributions of nil (2015: £8,800) were made to a money purchase scheme on his behalf

	Number of directors	
	2016	2015
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	-	1
	<u>-</u>	<u>1</u>
The number of directors who exercised share options was	-	1
	<u>-</u>	<u>1</u>

## Notes (continued)

### 6 Other interest receivable and similar income

	2016 £	2015 £
Bank interest receivable	28,695	26,350
Other loan interest receivable	237,246	-
	<hr/>	<hr/>
Total interest receivable and similar income	266,211	26,350
	<hr/> <hr/>	<hr/> <hr/>

### 7 Interest payable and similar expenses

	2016 £	2015 £
Finance charges payable in respect of finance leases and hire purchase contracts	-	5,691
	<hr/>	<hr/>
Total other interest payable and similar charges	-	5,691
	<hr/> <hr/>	<hr/> <hr/>

### 8 Taxation

#### Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2016 £	£	2015 £	£
<i>Current tax</i>				
Current tax on income for the period	453,364		241,454	
Adjustments in respect of prior periods	-		(10,802)	
	<hr/>		<hr/>	
Total current tax		453,364		230,652
<i>Deferred tax (see note 16)</i>				
Origination and reversal of timing differences	6,708		5,125	
Carried forward losses	-		(121,706)	
	<hr/>		<hr/>	
Total deferred tax		6,708		(116,581)
		<hr/>		<hr/>
Total tax		460,072		114,071
		<hr/> <hr/>		<hr/> <hr/>

## Notes (continued)

### 8 Taxation (continued)

	2016			2015		
	£	£	£	£	£	£
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	453,364	6,708	460,072	230,652	(116,581)	114,071
Total tax	453,364	6,708	460,072	230,652	(116,581)	114,071

#### Analysis of current tax recognised in profit and loss

	2016 £	2015 £
UK corporation tax	453,364	230,652
Total current tax recognised in profit and loss	453,364	230,652

#### Reconciliation of effective tax rate

	2016 £	2015 £
Profit for the year	2,045,689	1,653,962
Total tax expense	460,072	114,071
Profit excluding taxation	2,505,761	1,768,033
Tax using the UK corporation tax rate of 20.00 % (2015: 20.25%)	501,152	358,027
Non-deductible expenses	2,107	32,513
Capital allowances for period in excess of depreciation	(7,626)	(7,174)
Surrendered group losses	-	(145,220)
Carried forward losses	-	(121,706)
Current year losses for which no deferred tax asset was recognised	-	3,308
Origination and reversal of timing differences	(35,561)	5,125
Adjustment in respect of prior period	-	(10,802)
Total tax expense included in profit or loss	460,072	114,071

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020 had already been substantively enacted on 26 October 2015.



## Notes (continued)

### 9 Tangible fixed assets

#### Group

	Motor Vehicles £	Fixtures, fittings and office equipment £	Total £
<b>Cost</b>			
Balance at 1 January 2016	26,490	961,951	988,441
Additions	-	51,644	51,644
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	26,490	1,013,595	1,040,085
	<hr/>	<hr/>	<hr/>
<b>Depreciation and impairment</b>			
Balance at 1 January 2016	23,516	833,287	856,803
Depreciation charge for the year	1,623	59,094	60,717
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	25,139	892,381	917,519
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 1 January 2016	2,974	128,663	131,637
	<hr/>	<hr/>	<hr/>
At 31 December 2016	1,351	121,214	122,565
	<hr/>	<hr/>	<hr/>

#### Company

	Motor Vehicles £	Fixtures, fittings and office equipment £	Total £
<b>Cost</b>			
Balance at 1 January 2016	26,490	961,951	988,441
Additions	-	51,644	51,644
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	26,490	1,013,595	1,040,085
	<hr/>	<hr/>	<hr/>
<b>Depreciation and impairment</b>			
Balance at 1 January 2016	23,516	833,287	856,803
Depreciation charge for the year	1,623	59,094	60,717
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	25,139	892,381	917,520
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 1 January 2016	2,974	128,663	131,637
	<hr/>	<hr/>	<hr/>
At 31 December 2016	1,351	121,214	122,565
	<hr/>	<hr/>	<hr/>

**Notes (continued)**

**10 Fixed asset investments**

**Fixed asset investments – Group**

	<b>Other Investments other than loans £</b>
<b>Group</b>	
<i>Cost</i>	
At beginning of year	1,580,123
Additions	83,699
Disposals	-
	<hr/>
At end of year	1,663,822
	<hr/>
<i>Net book value</i>	
At 31 December 2016	1,663,822
	<hr/>
At 31 December 2015	1,580,123
	<hr/>

The undertakings in which the Group's and Company's interest at the year-end is more than 20% are as follows.

	<b>Registered office address</b>	<b>Principal activity</b>	<b>Class and percentage of shares held</b>
			<b>Group      Company</b>
<i>Subsidiary undertakings</i>			
DPAS Investment and Consultancy Services Lt	Cambrian Works Oswestry SY11 1HS	Consultancy	<b>100% Ordinary</b> 100% Ordinary
Segregated Account 15	Chubb Building 17 Woodbourne Avenue Hamilton HM08 Bermuda	Dental Insurance	<b>100% Preference</b> Nil

## Notes (continued)

### 11 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Trade debtors	7,290,510	7,012,089	6,337,395	6,113,480
Other debtors	3,055	11,436	343	11,436
Deferred tax assets (see note 16)	132,587	139,295	132,587	139,295
Amounts owed by group companies	4,800,000	-	4,800,000	-
Prepayments and accrued income	89,527	188,822	76,582	173,612
	<u>12,315,679</u>	<u>7,351,642</u>	<u>11,346,907</u>	<u>6,437,823</u>
Due within one year	7,383,092	7,212,347	6,414,320	6,298,528
Due after more than one year	4,932,587	139,295	4,932,587	139,295
	<u>12,315,679</u>	<u>7,351,642</u>	<u>11,346,907</u>	<u>6,437,823</u>

Debtors include deferred tax of £132,587 (2015: £139,295) Company £132,587 (2015: £139,295) and amounts owed to group companies of £4,800,000 (2015: £nil) Company £4,800,000 (2015: £nil) due after more than one year.

### 12 Cash and cash equivalents/ bank overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Cash at bank and in hand	2,152,573	4,022,799	2,140,749	4,009,060
Cash and cash equivalents per cash flow statements	<u>2,152,573</u>	<u>4,022,799</u>	<u>2,140,749</u>	<u>4,009,060</u>

### 13 Creditors: amounts falling due within one year

	Group 2016 £	2015 £	Company 2016 £	2015 £
Obligations under finance leases (see note 15)	8,079	16,157	8,079	16,157
Trade creditors	6,648,839	6,462,246	6,005,906	5,920,092
Corporation Tax	441,733	241,454	39,929	-
Taxation and social security	27,338	30,045	27,338	30,045
Other creditors	78,874	98,750	78,874	98,750
Accruals and deferred income	1,188,032	762,602	1,188,031	727,602
VAT	1,500,434	1,151,248	1,500,434	1,151,248
	<u>9,893,329</u>	<u>8,762,502</u>	<u>8,848,591</u>	<u>7,943,894</u>

## Notes (continued)

### 14 Creditors: amounts falling after more than one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Obligations under finance leases (see note 15)	-	8,079	-	8,079
Amounts owed to group undertakings	-	-	2,981,303	1,787,633
	<u>-</u>	<u>8,079</u>	<u>2,981,303</u>	<u>1,795,712</u>
	<u>-</u>	<u>8,079</u>	<u>2,981,303</u>	<u>1,795,712</u>

### 15 Other interest-bearing loans and borrowings

#### Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Minimum lease payments 2016 £	Minimum lease payments 2015 £
Less than one year	8,079	16,157
Between one and five years	-	8,079
More than five years	-	-
	<u>8,079</u>	<u>24,236</u>
	<u>8,079</u>	<u>24,236</u>

  

Company	Minimum lease payments 2016 £	Minimum lease payments 2015 £
Less than one year	8,079	16,157
Between one and five years	-	8,079
More than five years	-	-
	<u>8,079</u>	<u>24,236</u>
	<u>8,079</u>	<u>24,236</u>

## Notes (continued)

### 16 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2016 £	2015 £	Liabilities 2016 £	2015 £	Net 2016 £	2015 £
Accelerated capital allowances	10,881	17,589	-	-	10,881	17,589
Unused tax losses	121,706	121,706	-	-	121,706	121,706
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Tax (assets)	(132,587)	(139,295)	-	-	(132,587)	(139,295)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net tax (assets)	(132,587)	(139,295)	-	-	(132,587)	(139,295)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The amount of the net reversal of deferred tax expected to occur next year is £121,706 (2015: £121,706) relating to the reversal of existing time differences on tangible fixed assets, unused tax losses.

Company	Assets 2016 £	2015 £	Liabilities 2016 £	2015 £	Net 2016 £	2015 £
Accelerated capital allowances	10,881	17,589	-	-	17,589	17,589
Unused tax losses	121,706	121,706	-	-	121,706	121,706
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Tax (assets)	(132,587)	(139,295)	-	-	(132,587)	(139,295)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net tax (assets)	(132,587)	(139,295)	-	-	(132,587)	(139,295)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The amount of the net reversal of deferred tax expected to occur next year is £121,706 (2015: £121,706) relating to the reversal of existing time differences on tangible fixed assets, unused tax losses.

## Notes (continued)

### 17 Employee benefits

#### Defined contribution plans

##### Group

The Group operates a defined contribution pension plan.

The total expense relating to this plan in the current year was £59,186 (2015: £67,547)

##### Share based payments

In October 2007, 16,086 of equity-settled share options were granted to a number of key employees, at a weighted average exercise price of £341.67 and a vesting period which is the lesser of ten years or the sale of the business at above a specific target price for that tranche.

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2016	Number of options 2016	Weighted average exercise price 2015	Number of options 2015
Outstanding at the beginning of the year	-	-	£341.67	16,086
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	£341.67	4,143
Granted during the year	-	-	-	-
Expired during the year	-	-	£341.67	11,943
	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at the end of the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Exercisable at the end of the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
			2016 £	2015 £
Total share based payment expense			-	3,044
			<hr/>	<hr/>
Total carrying amount of liabilities			-	3,044
			<hr/>	<hr/>

## Notes (continued)

### 18 Capital and reserves

#### Share capital

In thousands of shares

#### Ordinary shares

On issue at 1 January 2016

1,121,556

On issue at 31 December 2016 – fully paid

1,121,556

Consideration received for the allotment of ordinary shares during the year was nil (2015: £616,100)

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
41,430 Ordinary A shares of £0.100 each	4,143	4,143
6,313 Ordinary B Shares of £0.100 each	632	632
555,550 Ordinary C Shares of £0.100 each	55,555	55,555
555,550 Ordinary D Shares of £0.001 each	556	556
	<hr/> 60,886 <hr/>	<hr/> 60,886 <hr/>
Shares classified in shareholders' funds	60,886	60,886
	<hr/> 60,886 <hr/>	<hr/> 60,886 <hr/>

The holders of ordinary A, B and D shares are entitled to receive dividends as declared from time to time, Ordinary C shares do not have a right to dividends. The holders of ordinary A and C shares are entitled to one vote per share at meetings of the Company.

## Notes (continued)

### 19 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Less than one year	17,437	29,691	17,437	29,691
Between one and five years	-	17,437	-	17,437
More than five years	-	-	-	-
	<u>17,437</u>	<u>47,128</u>	<u>17,437</u>	<u>47,128</u>

During the year £17,437 was recognised as an expense in the profit and loss account in respect of operating leases (2015: £47,128).

### 20 Ultimate parent company and parent company of larger group

Practice Plan Holdings Limited is the company's controlling related party by virtue of owning 100% of the issued share capital.

Wesleyan Assurance Society is the company's ultimate parent company by virtue of it being the ultimate parent company of Practice Plan Holdings Limited. Wesleyan Assurance Society is incorporated by Private Act of Parliament and registered in England. Copies of the consolidated financial statements of Wesleyan Assurance Society may be obtained from the Company Secretary at Wesleyan Assurance Society, Colmore Circus, Birmingham, West Midlands B4 6AR.