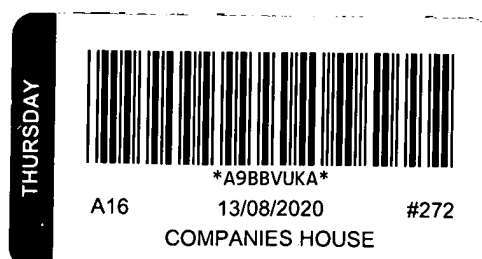


Financial Statements DPAS Limited

For the Year Ended 31 December 2019

Registered number: 03247652



Company Information

Company Secretary	S J Pritchard
Directors	N J Beckett A Farooq N K Jones
Registered number	03247652
Registered office	Cambrian Works Gobowen Road Oswestry Shropshire SY11 1HS
Independent auditors	Ernst & Young LLP The Paragon Building Counterslip Bristol BS1 6BX
Bankers	National Westminster Bank Plc 135 Bishopsgate London EC2M 3UR
Solicitors	Wilsons Solicitors LLP Alexandra House St Johns Street Salisbury SP1 3AA

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Strategic Report

For the Year Ended 31 December 2019

Introduction

The Directors present their strategic report on the Company for the year ended 31 December 2019.

Business review and future developments

The profit before taxation for the financial year was £9,992,760 (2018 - £1,349,520). Excluding income from investments the profit before taxation amounted to £3,192,760 (2018 - £1,349,520) which was in line with expectations for the year with the administration of dental plan membership schemes continuing to perform well despite a challenging private dental sector and macroeconomic conditions. The profit after taxation for the financial year was £9,379,801 (2018 - £1,030,719).

Dividends amounting to £11,600,000 were proposed and paid in the year ended 31 December 2019 (2018 - £Nil).

Total shareholders' funds at the end of the financial year were £1,462,413 (2018: £3,682,612).

The Company acts as an agent of Worldwide Assistance Limited in brokering discretionary emergency dental assistance for its plan patients. The discretionary emergency dental assistance scheme is performing as expected and the Directors remain positive that both DPAS Limited and Worldwide Assistance Limited remain well placed to continue to offer this scheme and support any requests for assistance made.

DPAS continues with its commitment to invest in its people, systems and customer service.

Principal risks and uncertainties

The company uses various financial instruments, these include inter-group loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below. No transactions of a speculative nature are undertaken.

The main risks arising from the company's financial instruments are credit risk, liquidity risk and currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies remain unchanged from previous years.

Credit risk

The company's principal financial assets are cash and intercompany debtors. The nature of the company's working capital cycle is such that trade debtors, and thus credit risk, are minimal. In addition, the credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. In regards to intercompany balances credit risk is actively monitored by management.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Strategic Report (continued)

For the Year Ended 31 December 2019

Currency risk

Most of the company's transactions are denominated in Great Britain Pounds (GBP). Exposure to currency exchange rates arise from the company's purchases in euro. Exposure to exchange rates arises from changes in the spot exchange rate of the euro to the GBP from the date of origin of the transaction until payment. The exposure to such risks is considered to be negligible as the transactions in euro are limited only to certain administrative expenses, the total value of which is not considered significant.

Government policy risk

Another 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.

Coronavirus (Covid-19) risk

On the 31 January 2020, the World Health Organization declared the outbreak of a new coronavirus a global emergency. The virus originated in China but has now spread to many parts of the world including the UK. The situation is still evolving, and we will continue to monitor any potential impact on us and our customers, and we will follow all official advice to limit any impact. We have initiated our contingency procedures to ensure that we are able to service our existing customers.

Financial key performance indicators

Key performance indicators are established and monitored at a Group level, details of which are set out in the Group's financial statements.

This report was approved by the Board and signed on its behalf.



N J Beckett
Director

Date: 4 May 2020

Directors' Report

For the Year Ended 31 December 2019

The Directors present their report and the Audited Financial Statements for the year ended 31 December 2019. Business review and future developments as well as the company's principal risks and uncertainties are included in the strategic report on page 1.

Principal activity

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 and emergency dental discretionary assistance for patients.

Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

N J Beckett	(Appointed 18 June 2019)
N K Jones	(Appointed 18 June 2019)
G Anders	(Resigned 18 June 2019)
A Farooq	

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

Directors' Report (continued)

For the Year Ended 31 December 2019

Disclosure of information to auditors

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Indemnity provision

During the year the company took out a qualifying third party indemnity provision for the benefit of the Directors.

Post balance sheet events

As mentioned in the strategic report the company has moved into unprecedented times due to the Covid-19 outbreak which is impacting our customers, colleagues and society at large. We are working to assess the situation and its implications on the business in this fast moving environment and will continue to support our customers in the volatile period ahead.

Going concern

The Directors are responsible for making a formal assessment as to whether the 'going concern' basis is appropriate for preparing these financial statements. The going concern basis presumes that the Company will continue to be able to meet its obligations as they fall due. To do this, the Company must have sufficient assets, not only to meet the payments associated with its business, but also to withstand the impact of other events that might reasonably be expected to happen.

The Directors have examined the various issues relevant to the going concern basis and will take proactive action to maintain sufficient liquidity at all times. Furthermore, the Directors have considered a specific COVID-19 cashflow stress scenario which includes a reduction in administration fees for a defined period and the impact of an increase in doubtful debts for a defined period. Under this stress scenario the Company continued to have sufficient liquidity to meet its liabilities as they fall due.

Accordingly, the Board considers it has given due consideration to all the potential risks and possible actions available to it and has concluded that it remains appropriate to prepare these financial statements on a going concern basis.

Directors' Report (continued)

For the Year Ended 31 December 2019

Board of approval

The Statement of Directors' responsibilities in respect of the financial statements on page 3 and the financial statements on pages 9 to 23 were approved on 25 March 2020 by the Board of Directors who authorised N J Beckett to sign the financial statements on behalf of the Board.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to be 'N J Beckett', written over a horizontal line.

N J Beckett
Director

Date: 4 May 2020

Independent Auditor's Report to the Members of DPAS Limited

Opinion

We have audited the financial statements of DPAS Limited for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Effects of COVID-19

We draw attention to Note 1.3 and Note 19 of the financial statements, which describes the economic uncertainty the company is facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Independent Auditor's Report to the Members of DPAS Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 the 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 or directors' report.

We have nothing to report in respect of the following matters in relation to which 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 the information and explanations we require for our audit.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of DPAS Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Ernst & Young LLP

Andy Blackmore (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
4 May 2020

Statement of Income and Retained Earnings

For the Year Ended 31 December 2019

	Note	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Turnover	2	5,406,963	7,413,683
Cost of sales		(482,770)	(4,231,807)
Gross profit		4,924,193	3,181,876
Administrative expenses		(1,935,393)	(2,210,360)
Operating profit	3	2,988,800	971,516
Interest receivable and similar income	6	7,003,960	378,004
Profit before taxation		9,992,760	1,349,520
Tax charge on profit	7	(612,959)	(318,801)
Profit for the financial year		<u>9,379,801</u>	<u>1,030,719</u>
Retained earnings at the beginning of the year		2,915,823	1,885,104
Profit for the financial year		9,379,801	1,030,719
Dividends Paid	8	(11,600,000)	-
Retained earnings at the end of the year		<u>695,624</u>	<u>2,915,823</u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 23 form part of these financial statements.

Balance Sheet

As at 31 December 2019

	Note	31 December 2019 £	31 December 2018 £
Fixed assets			
Investments	9	-	-
Tangible assets	10	133,323	105,446
		133,323	105,446
Current assets			
Debtors: amounts falling due within one year	11	6,971,865	6,808,095
Cash at bank and in hand		2,608,304	7,454,688
		9,580,169	14,262,783
Creditors: amounts falling due within one year	12	(8,288,284)	(15,542,429)
Net current assets/(liabilities)		1,291,885	(1,279,645)
Non Current assets			
Debtors: amounts falling due over one year	11	37,205	4,856,811
Net assets		1,462,413	3,682,612
Capital and reserves			
Called up share capital	14	60,886	60,886
Share premium account		705,846	705,846
Capital redemption reserve		57	57
Profit and loss account		695,624	2,915,823
Total shareholders' funds		1,462,413	3,682,612

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



N J Beckett
 Director
 Date: 4 May 2020

The notes on pages 11 to 23 form part of these financial statements

Notes to the Financial Statements

For the Year Ended 31 December 2019

1. Accounting policies

1.1 Company information

DPAS Limited, a private company limited by shares and incorporated in the United Kingdom, registered office being Cambrian Works, Gobowen Road, Oswestry, Shropshire, SY11 1HS.

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 and discretionary scheme cover for patients.

1.2 Statement of compliance

The individual financial statements of DPAS Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

1.3 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards and Companies Act 2006. The going concern basis presumes that the Company will continue to be able to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements. To do this, the Company must have sufficient assets, not only to meet the payments associated with its business, but also to withstand the impact of other events that might reasonably be expected to happen.

The Directors have examined the various issues relevant to the going concern basis and will take proactive action to maintain sufficient liquidity at all times. Furthermore, the Directors have considered a specific COVID-19 cashflow stress scenario which includes a reduction in administration fees for a defined period and the impact of an increase in doubtful debts for a defined period. Under this stress scenario the Company continued to have sufficient liquidity to meet its liabilities as they fell due.

Accordingly, the Board considers it has given due consideration to all the potential risks and possible actions available to it and has concluded that it remains appropriate to prepare these financial statements on a going concern basis.

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been consistently applied to all the years presented.

1.4 Basis of consolidation

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Wesleyan Assurance Society. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.5 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity.

Notes to the Financial Statements

For the Year Ended 31 December 2019

1.6 Turnover

Turnover represents the total amount receivable by the company for the provision of direct debit collection services and other support services to clients. It also includes insurance commission and insurance profit share from a related party company that provides dental insurance to individuals as well as commission and profit share from a related party company that provides discretionary emergency dental assistance to individuals. Turnover excludes VAT and trade discounts and is recognised in the period in which the services are provided.

Commission is recognised as earned, based on an agreed percentage of premiums collected in the period.

Profit share is calculated as a fixed percentage of the related party company's results and is estimated based on monthly results, with an annual adjustment based on the full year results.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. 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.

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 statement of income and retained earnings 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. The estimated useful lives are as follows:

Fixtures and Fittings	4 years
Office Equipment	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.

1.8 Operating Leases

Rentals under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Notes to the Financial Statements

For the Year Ended 31 December 2019

1.10 Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, intercompany balances, cash and bank balances are initially recognised at the transaction price and subsequently measured at the undiscounted amount of the cash or other consideration expected to be received (net of any impairment) unless the arrangements constitute, in effect a financing transaction.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, intercompany loans and bank loans are initially recognised at the transaction price and subsequently measured at the undiscounted amount of the cash or other consideration expected to be paid (net of any impairment) unless the arrangements constitute, in effect a financing transaction. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.11 Interest receivable

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income is recognised in statement of income and retained earnings as they accrue, using the effective interest method. Dividend income is recognised in the statement of income and retained earnings on the date the entity's right to receive payments is established.

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the statement of income and retained earnings.

1.13 Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of income and retained earnings.

1.14 Current taxation

The current tax charge is based on the profit for the period and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date.

Notes to the Financial Statements

For the Year Ended 31 December 2019

1.15 Deferred taxation

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

1.16 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the tangible fixed assets, and note 1.7 for the useful economic lives for each class of assets.

1.16 Critical accounting judgements and estimation uncertainty (continued)

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the carrying amount of debtors.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2. Turnover

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Rendering of services	3,123,713	6,854,117
Commissions	1,098,518	554,378
Other	1,184,732	5,188
	<u>5,406,963</u>	<u>7,413,683</u>

3. Operating profit

The operating profit is stated after charging:

		Year ended 31 December 2019 £	Year ended 31 December 2018 £
Depreciation of tangible assets	10	39,567	56,107
Loss on disposal of tangible fixed assets		746	29,148
Audit fees payable to company's auditors		25,500	25,500
Defined contribution pension cost	4	<u>57,118</u>	<u>59,133</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

4. Wages and salaries

Staff costs, including Directors' remuneration, were as follows:

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Wages and salaries	961,395	961,049
Social security costs	86,757	102,446
Other pension costs	57,118	59,133
	<u>1,105,270</u>	<u>1,122,628</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	Year ended 31 December 2019 No.	Year ended 31 December 2018 No.
Number of staff	<u>31</u>	<u>36</u>

5. Directors' remuneration

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Remuneration receivable	126,975	157,141
Company contributions to company pension schemes	-	-
	<u>126,975</u>	<u>157,141</u>

The highest paid Director received remuneration of £126,975 (2018: £157,141) and the other Directors are not remunerated for their services to this entity.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £Nil (2018: £Nil).

6. Interest receivable and similar income

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Interest receivable from related parties	178,521	360,000
Bank interest receivable	25,439	18,004
Dividend receivable	6,800,000	-
	<u>7,003,960</u>	<u>378,004</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

7. Taxation

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Corporation tax		
UK corporation tax charge on profits for the year	601,964	269,477
Adjustments in respect of previous periods	(8,611)	63,773
Total current tax	<u>593,353</u>	<u>333,250</u>
Deferred tax (see note 13)		
Origination and reversal of timing differences	6,217	(14,430)
Adjustment in respect of prior period	13,389	(19)
Total deferred tax	<u>19,606</u>	<u>(14,449)</u>
Tax charge on profit	<u>612,959</u>	<u>318,801</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Profit before taxation	<u>9,992,760</u>	<u>1,349,520</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	1,898,625	256,409
Effects of:		
Expenses not deductible for tax purposes	(4,661)	13,068
Adjustments in respect of prior periods	4,778	63,754
Origination and reversal of timing differences	6,217	(14,430)
Income not taxed	(1,292,000)	-
Total tax charge for the year	<u>612,959</u>	<u>318,801</u>

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2019

8. Dividends paid

	31 December 2019	31 December 2018
	£	£
Interim dividend of £19.23 per ordinary share	<u>11,600,000</u>	<u>-</u>

9. Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January and 31 December 2019	<u>1</u>
Provisions	
At 1 January and 31 December 2019	<u>(1)</u>
Net book value	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u>-</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
DPAS Investment and Consultancy Services Limited	Ordinary	100 %	Holding company

The registered office for DPAS Investment and Consultancy Services Limited is Cambrian Works, Gobowen Road, Oswestry, Shropshire, SY11 1HS.

Notes to the Financial Statements

For the Year Ended 31 December 2019

10. Tangible assets

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 January 2019	289,690	289,690
Additions	68,190	68,190
Disposals	(157,674)	(157,674)
	200,206	200,206
Accumulated depreciation		
At 1 January 2019	184,244	184,244
Disposals	(156,928)	(156,928)
Charge for the year	39,567	39,567
	66,883	66,883
Net book value		
At 31 December 2019	<u>133,323</u>	<u>133,323</u>
At 31 December 2018	<u>105,446</u>	<u>105,446</u>

11. Debtors

	31 December 2019 £	31 December 2018 £
Trade debtors	6,916,078	6,626,491
Amounts owed by group undertakings	-	4,870,381
Other debtors	7,350	2,651
Deferred taxation (see note 13)	37,205	56,811
Prepayments and accrued income	48,437	108,572
	<u>7,009,070</u>	<u>11,664,906</u>
Due within one year	6,971,865	6,808,095
Due after more than one year	37,205	4,856,811
	<u>7,009,070</u>	<u>11,664,906</u>

Company debtors due after more than one year relate to deferred tax of £37,205 (2018 - £56,811) and an intercompany loan outstanding with a related Group company of £nil (2018 - £4,800,000).

The amounts relating to group undertakings are interest free, unsecured and repayable on demand.

Notes to the Financial Statements

For the Year Ended 31 December 2019

12. Creditors: Amounts falling due within one year

	31 December 2019	31 December 2018
	£	£
Trade creditors	6,265,442	6,250,660
Amounts owed to group undertakings	580,154	5,886,871
Corporation tax payable	601,964	269,477
Accruals and deferred income	694,579	1,063,907
Other creditors	22,661	11,438
VAT	123,484	2,060,076
	<u>8,288,284</u>	<u>15,542,429</u>

Amounts owed to group undertakings are interest free and repayable on demand.

13. Deferred taxation

	31 December 2019	31 December 2018
	£	£
At beginning of year	56,811	42,362
Credited / (charged) to the statement of income and retained earnings (see note 7)	(19,606)	14,449
At end of year (note 11)	<u>37,205</u>	<u>56,811</u>

The deferred tax asset is made up as follows:

	31 December 2019	31 December 2018
	£	£
Excess of taxation allowances over depreciation on fixed assets	37,205	56,811
	<u>37,205</u>	<u>56,811</u>

Notes to the Financial Statements

For the Year Ended 31 December 2019

14. Called up share capital

	31 December 2019	31 December 2018
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
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
Shares classified in shareholders' funds	60,886	60,886

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.

15. Capital commitments

The company had no capital commitments as at 31 December 2019 or 31 December 2018

16. Retirement benefits

Defined contribution scheme

Employees and directors are members of the Wesleyan Assurance Society Staff Group Personal Pension Scheme. The scheme is included as part of the total assets and liabilities of Wesleyan Assurance Society.

The pension cost for the year recognised in the profit and loss account amounted to £57,118 (2018: £59,133). These costs are recharged from Wesleyan Administration Services Limited, an associated Group company.

Notes to the Financial Statements

For the Year Ended 31 December 2019

17. Related party transactions

The Company has taken advantage of the exemption within FRS 102, paragraph 33.1a, relating to subsidiary undertakings which are 100% owned by the Group and whose financial statements are publicly available. Therefore, no transactions with fellow subsidiary undertakings, or with the Ultimate Parent Company, Wesleyan Assurance Society, have been disclosed.

	31 December 2019	31 December 2018
	£	£
As at 31 December DPAS Limited had amounts owed from the following group undertakings:		
Practice Plan Holdings Limited	-	4,800,000
Worldwide Assistance Limited	-	70,381
Amounts owed by group undertakings (Note 11)	-	4,870,381

	31 December 2019	31 December 2018
	£	£
As at 31 December DPAS Limited had amounts owed to the following group undertakings:		
DPAS Investment and Consultancy Services Limited	-	5,588,250
Practice Plan Limited	580,154	116,104
Wesleyan Financial Services Limited	-	182,517
Amounts owed to group undertakings (Note 12)	580,154	5,886,871

The Ultimate Parent Company has guaranteed the Company's liabilities.

18. Ultimate parent company and controlling party

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.

Notes to the Financial Statements

For the Year Ended 31 December 2019

19. Post Balance Sheet Events

Subsequent to the Company's year end, the full extent of the Coronavirus (COVID-19) pandemic has begun to emerge with significant volatility in financial markets around the world and Government-imposed restrictions on movement. The situation is still evolving, and we will continue to monitor any potential impact on us and our customers, and we will follow all official advice to limit any impact. We have initiated our contingency procedures to ensure that we are able to service our existing customers throughout this period of uncertainty.

Despite the significant stimulus packages announced by governments around the globe it is likely that many developed economies will enter a period of downturn, the severity and length of which are unknown. The extent of the future impact on the Company cannot be estimated with any certainty. However as at the date of approving these financial statements, our trading performance for the first 3 months of the year is in line with plan and as noted in the going concern section on page 4, we have performed a specific COVID-19 cashflow stress scenario and under this scenario, the Company forecasts it has sufficient liquidity to meet its liabilities as they fall due.