

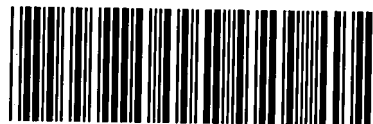
DPAS Limited

**Annual report and consolidated
financial statements**

Registered number 03247652

31 December 2017

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Directors' report

The directors present their Directors' report and consolidated financial statements for the year ended 31 December 2017. 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 2017 increased by 3.7%. The directors expect the upward trend in revenue to continue in the future.

Operating profit for the year has increased by 24.3%, despite non-recurring costs of £250,717 related to the relocation of the business.

Risks

Foreign exchange risk

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 limited currency exposure.

Insurance risk

A subsidiary of the group issues re-insurance contracts that effect the transfer of risk from the insurer to the group. The principle risks assumed are Dental policy related and may relate to injury, accident or other perils that may arise from an insurable event. The company is exposed to uncertainty surrounding the timing, frequency and severity of claims under the contracts.

The company uses several methods to assess and monitor reserve risk exposures both for individual types of risk insured and overall risks. The terms and conditions of the contracts set out the claims limits for the insured events which limits the financial risk exposure to the group from any one event. The directors do not believe that there is a significant financial risk to the group from excessive events occurring.

Government policy risk

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 2017 (2016 - £Nil).

Directors' report *(continued)*

Directors

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

G Anders

A Farooq

E McKenzie

Resigned 31 October 2017

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.

Board of approval

The Statement of Directors' responsibilities in respect of the financial statements on page 3 and the financial statements on pages 7 to 28 were approved on 6 June 2018 by the Board of Directors who authorised G Anders to sign the financial statements on behalf of the Board.

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



G Anders
Director
06/06/2018

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, 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DPAS LIMITED

Opinion

We have audited the financial statements of DPAS Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the consolidated Statement of Comprehensive Income, the consolidated and company Balance Sheet, the consolidated and Company Statement of changes in equity, consolidated cash flow Statement and the related notes 1 to 20, 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 group's and of the parent company's affairs as at 31 December 2017 and of the group's 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 group and parent 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.

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 group's or the parent 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.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 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
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <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
8 June 2018

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2017

	<i>Note</i>	2017 Total £	2016 Total £
Turnover	2	6,761,249	6,519,457
Cost of sales		(2,099,536)	(2,141,344)
Gross profit		4,661,713	4,378,113
Administrative expenses		(1,627,105)	(1,690,736)
Non recurring expenses	3	(250,717)	(447,827)
Group operating profit		<u>2,783,891</u>	<u>2,239,550</u>
Other interest receivable and similar income	6	366,856	266,211
Profit before taxation		3,150,747	2,505,761
Tax on profit	7	(634,440)	(460,072)
Profit for the financial year		<u>2,516,307</u>	<u>2,045,689</u>
Total comprehensive income for the year		<u>2,516,307</u>	<u>2,045,689</u>

The statement of comprehensive income 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 statement of comprehensive income.

Consolidated Balance Sheet
at 31 December 2017

	Note	£	2017	£	£	2016	£
Fixed assets							
Tangible assets	8	122,901			122,565		
			<u>122,901</u>			<u>122,565</u>	
Current assets							
Debtors	10	7,495,015			7,383,091		
Investments	9	1,836,566			1,663,822		
Cash at bank and in hand	11	4,970,881			2,152,573		
Creditors: amounts falling due within one year	12	(10,390,109)			(9,893,329)		
Net current assets				3,912,353			1,306,157
Non Current assets							
Debtors	10	4,842,362			4,932,587		
Total assets less current liabilities				<u>8,877,616</u>			<u>6,361,309</u>
Creditors: amounts falling due after more than one year	13			-			-
Net assets				<u>8,895,286</u>			<u>6,361,309</u>
Capital and reserves							
Called up share capital	17			60,886			60,886
Share premium account				705,846			705,846
Capital Redemption Reserve				57			57
Profit and loss account				8,110,827			5,594,520
Shareholders' funds				<u>8,877,616</u>			<u>6,361,309</u>

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



G Anders
Director
06/06/2018

Company registered number: 03247652

Company Balance Sheet
At 31 December 2017

	Note	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	8	122,901		122,565	
			122,901		122,565
Current assets					
Debtors	10	6,529,126		6,414,320	
Cash at bank and in hand	11	3,324,279		2,140,749	
Creditors: amounts falling due within one year	12	(9,199,448)		(8,848,591)	
Net current assets (liabilities)			653,957		(293,522)
Non Current assets					
Debtors	10	4,842,362		4,932,587	
Total assets less current liabilities			5,619,220		4,761,630
Creditors: amounts falling due after more than one year	13		(2,967,327)		(2,981,303)
Net assets			2,651,893		1,780,327
Capital and reserves					
Called up share capital	17		60,886		60,886
Share premium account			705,846		705,846
Capital redemption reserve			57		57
Profit and loss account			1,855,104		1,013,538
Shareholders' funds			2,651,893		1,780,327

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



G Anders
Director
06/06/2018

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 2016	60,886	705,846	57	3,548,831	4,315,620
Total comprehensive income for the period					
Profit or loss	-	-	-	2,045,689	2,045,689
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	2,045,689	2,045,689
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	60,886	705,846	57	5,594,520	6,361,309
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
Balance at 1 January 2017	60,886	705,846	57	5,594,520	6,361,309
Total comprehensive income for the period					
Profit or loss	-	-	-	2,516,307	2,516,307
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	2,516,307	2,516,307
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	60,886	705,846	57	8,110,827	8,877,616
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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
Total comprehensive income for the period					
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/>
Balance at 31 December 2016	60,886	705,846	57	1,013,538	1,780,327
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
Balance at 1 January 2017	60,886	705,846	57	1,013,538	1,780,327
Total comprehensive income for the period					
Profit or loss	-	-	-	871,566	871,566
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	871,566	871,566
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	60,886	705,846	57	1,885,104	2,651,893
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Consolidated Cash Flow Statement for year ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		2,516,307	2,045,689
Adjustments for:			
Depreciation, amortisation and impairment		54,070	60,717
Interest receivable and similar income		(366,856)	(266,211)
Interest payable and similar charges		-	-
Gain on sale of tangible fixed assets		-	-
Equity settled share-based payment expenses		-	-
Taxation		634,440	460,072
		<u>2,837,961</u>	<u>2,300,267</u>
(Increase)/decrease in trade and other debtors		(194,443)	(266,074)
(Decrease)/increase in trade and other creditors		341,453	938,626
		<u>2,984,971</u>	<u>2,972,819</u>
Dividends paid		-	-
Tax paid		(471,034)	(241,455)
		<u>2,513,937</u>	<u>2,731,364</u>
Net cash from operating activities			
Cash flows from investing activities			
Loan to group company		-	(4,800,000)
Proceeds from sale of tangible fixed assets		-	-
Interest received		366,856	266,211
Acquisition of tangible fixed assets	8	(54,406)	(51,644)
		<u>312,450</u>	<u>(4,585,433)</u>
Net cash from investing activities			
Cash flows from financing activities			
Proceeds from the issue of share capital		-	-
Interest paid		-	-
Payment of finance lease liabilities		(8,079)	(16,157)
		<u>(8,079)</u>	<u>(16,157)</u>
Net cash from financing activities			
Net increase/(decrease) in cash and cash equivalents		2,818,308	(1,870,226)
Cash and cash equivalents at 1 January 2017		2,152,573	4,022,799
		<u>4,970,881</u>	<u>2,152,573</u>
Cash and cash equivalents at 31 December 2017	11		

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 and in accordance with Financial Reporting Standard 103 *Insurance Contracts* (“FRS 103”) as issued in January 2015. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

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 or Statement of Comprehensive Income is included;
- 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.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

For the year ended 31 December 2017, the Group recorded net profit of £2,516,307 and had net assets of £8,877,616. 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.

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 2017. 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.

Notes (continued)

1 Accounting policies (continued)

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 statement of 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.

1.6 Tangible fixed assets

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.

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 1.10 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 statement of comprehensive income 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
- 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 statement of comprehensive income in the periods during which services are rendered by employees.

1.8 Turnover

Turnover comprises amounts received by the Company in respect of services provided, excluding value added tax. The Company recognises turnover when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and when specific criteria have been met for each of the Company's activities.

1.9 Insurance

Gross insurance premiums written are recognised in full when the insurance policy is issued, net of Insurance Premium Tax payable in accordance with the applicable laws of the United Kingdom and Republic of Ireland.

Premiums are earned proportionally over the period of cover. For those policies where premium is collected monthly, the company recognises premium written in the month when the premium is charged to the customer.

Claims and loss adjustment expenses are charged to the profit and loss account as incurred based on the estimated liability of compensation owed to policy holders. They include claims settlement costs arising from events that have occurred up to the end of the reporting period even if they have not yet been reported to the group. The group does not discount its liabilities for unpaid claims.

Provision is made for all claims notified by the insured (provision for claims reported). Claims reserves comprise provisions for the estimated cost of settling all claims incurred at the reporting date. Provision is also made for claims incurred but not reported ("IBNR") which comprise provisions for the estimated cost of settling all claims incurred up to but not reported at the end of the reporting period as well as outstanding loss reserves ("OSLR") where the claims have been reported but where the final cost of settlement are not yet known.

Insurance liabilities are shown in creditors falling due within one year due to the expected timeframe to settle all reported and unreported claims.

Notes (continued)

1 Accounting policies (continued)

1.10 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the statement of comprehensive income 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 statement of comprehensive income 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

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

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in statement of comprehensive income using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the statement of comprehensive income (see foreign currency accounting policy).

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

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income 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 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)

1 Accounting policies (continued)

1.12 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 8 for the carrying amount of the tangible fixed assets, and note 1.6 for the useful economic lives for each class of assets.

(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 10 for the carrying amount of debtors.

(iii) Impairment of investments

The carrying value of investments is reviewed annually for indicators of impairment. In assessing whether there are indicators of impairment the Directors undertake an annual assessment of the future expected cashflows (discounted) of the underlying business. See note 9 for the carrying amount of fixed asset investments.

Notes (continued)

2 Turnover

	2017 £	2016 £
Rendering of services	2,287,530	2,197,814
Insurance premiums	4,468,929	4,314,652
Other	4,790	6,991
	<hr/>	<hr/>
Total turnover	6,761,249	6,519,457
	<hr/>	<hr/>

3 Expenses and auditor's remuneration

	2017 £	2016 £
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation and other amounts written off tangible fixed assets:		
Owned	54,070	60,717

	2017 £	2016 £
Non-recurring costs		
Relocation Costs	250,717	447,827
	<hr/>	<hr/>

These costs are considered non-recurring by the directors due to their one-off nature.

Auditor's remuneration:

	2017 £	2016 £
Audit of these financial statements	25,000	21,710
Amounts receivable by the company's auditor and its associates in respect of:		
Other tax advisory services	-	8,300
IXBRL tagging	-	800
	<hr/>	<hr/>

The current year costs relate to EY LLP. In the prior year the costs relate to that of the previous auditors KPMG LLP.

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	
	2017	2016
Administration	20	23
Sales and Marketing	8	7
Management	8	10
	<u>36</u>	<u>40</u>

The aggregate payroll costs of these persons were as follows:

	2017 £	2016 £
Wages and salaries	978,235	1,071,210
Social security costs	100,712	111,865
Contributions to defined contribution plans	58,179	59,186
	<u>1,137,126</u>	<u>1,242,261</u>

5 Directors' remuneration

	2017 £	2016 £
Directors' remuneration	164,914	169,904
Company contributions to money purchase pension plans	-	-
	<u>-</u>	<u>-</u>

The aggregate of remuneration of the highest paid director was £164,914 (2016: £169,904), and company pension contributions of nil (2016: nil) were made to a money purchase scheme on his behalf

	Number of directors	
	2017	2016
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	-	-
	<u>-</u>	<u>-</u>
The number of directors who exercised share options was	-	-
	<u>-</u>	<u>-</u>

Notes (continued)

6 Other interest receivable and similar income

	2017 £	2016 £
Bank interest receivable	366,856	266,211
Total interest receivable and similar income	<u>366,856</u>	<u>266,211</u>

7 Taxation

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

	2017 £	2016 £
<i>Current tax</i>		
Current tax on income for the period	578,541	453,364
Adjustments in respect of prior periods	(34,326)	-
Total current tax	<u>544,215</u>	<u>453,364</u>
<i>Deferred tax (see note 15)</i>		
Origination and reversal of timing differences	25,950	6,708
Adjustments in respect of prior periods	64,275	-
Total deferred tax	<u>90,225</u>	<u>6,708</u>
Total tax	<u><u>634,440</u></u>	<u><u>460,072</u></u>

	£	2017 £	£	£	2016 £	£
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in the statement of comprehensive income	544,215	90,225	634,440	453,364	6,708	460,072
Total tax	<u><u>544,215</u></u>	<u><u>90,225</u></u>	<u><u>634,440</u></u>	<u><u>453,364</u></u>	<u><u>6,708</u></u>	<u><u>460,072</u></u>

Notes (continued)

7 Taxation (continued)

Analysis of current tax recognised in the statement of comprehensive income

	2017 £	2016 £
UK corporation tax	634,440	453,364
Total current tax recognised in the statement of comprehensive incomes	<u>634,440</u>	<u>453,364</u>

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2016: lower) than the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%). The differences are explained below.

Reconciliation of effective tax rate

	2017 £	2016 £
Profit for the year	2,516,307	2,045,689
Total tax expense	<u>634,440</u>	<u>460,072</u>
Profit excluding taxation	3,150,747	2,505,761
Tax using the UK corporation tax rate of 19.25 % (2016: 20.00%)	606,519	501,152
Non-deductible expenses	(27,979)	2,107
Capital allowances for period in excess of depreciation	-	(7,626)
Origination and reversal of timing differences	25,951	(35,561)
Adjustment in respect of prior period	<u>29,949</u>	<u>-</u>
Total tax expense included in the statement of comprehensive income	<u>634,440</u>	<u>460,072</u>

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)

8 Tangible fixed assets

Group and Company

	Motor Vehicles £	Fixtures, fittings and office equipment £	Total £
Cost			
Balance at 1 January 2017	26,490	1,013,595	1,040,085
Additions	-	54,406	54,406
	<u>26,490</u>	<u>1,068,001</u>	<u>1,094,491</u>
Balance at 31 December 2017	<u>26,490</u>	<u>1,068,001</u>	<u>1,094,491</u>
Depreciation and impairment			
Balance at 1 January 2017	25,139	892,381	917,520
Depreciation charge for the year	1,351	52,719	54,070
	<u>26,490</u>	<u>945,100</u>	<u>971,590</u>
Balance at 31 December 2017	<u>26,490</u>	<u>945,100</u>	<u>971,590</u>
Net book value			
At 1 January 2017	1,351	121,214	122,565
	<u>1,351</u>	<u>121,214</u>	<u>122,565</u>
At 31 December 2017	<u>-</u>	<u>122,901</u>	<u>122,901</u>

Notes (continued)

9 Fixed asset investments

Fixed asset investments – Group

	Investments other than loans £
Group	
<i>Cost</i>	
At beginning of year	1,663,822
Additions	172,744
Disposals	-
	<hr/>
At end of year	1,836,566
	<hr/>
<i>Net book value</i>	
At 31 December 2017	1,836,566
	<hr/> <hr/>
At 31 December 2016	1,663,822
	<hr/> <hr/>

Investments other than loans comprises cash balances held by Segregated Account 15, which only become accessible to the Group after 1 January 2018, as dictated by shareholder agreement. As such, it has been presented as a current asset investment for the 2017 financial year. Management account for Segregated Account 15 as a Special Purpose Entity under which they have full control due to the ownership of 100% of the preference shares as well as the rights to receive dividends.

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

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

Notes (continued)

10 Debtors

		Group 2017 £	2016 £	Company 2017 £	2016 £
	Note				
Trade debtors		7,400,575	7,290,510	6,447,631	6,337,395
Other debtors		8,986	3,055	8,986	343
Deferred tax assets (see note 15)		42,362	132,587	42,362	132,587
Amounts owed by group companies	19	4,800,000	4,800,000	4,800,000	4,800,000
Prepayments and accrued income		85,454	89,526	72,509	76,582
		<u>12,337,377</u>	<u>12,315,678</u>	<u>11,371,488</u>	<u>11,346,907</u>
Due within one year		7,495,015	7,383,091	6,529,126	6,414,320
Due after more than one year		4,842,362	4,932,587	4,842,362	4,932,587
		<u>12,337,377</u>	<u>12,315,678</u>	<u>11,371,488</u>	<u>11,346,907</u>

Group and Company debtors due after more than one year relate to deferred tax of £42,362 (2016: £132,587) and an intercompany loan outstanding with a related Group company of £4,800,000 (2016: £4,800,000).

11 Cash and cash equivalents/ bank overdrafts

	Group 2017 £	2016 £	Company 2017	2016
Cash at bank and in hand	4,970,881	2,152,573	3,324,279	2,140,749
Cash and cash equivalents per cash flow statements	<u>4,970,881</u>	<u>2,152,573</u>	<u>3,324,279</u>	<u>2,140,749</u>

12 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Obligations under finance leases (see note 14)	-	8,079	-	8,079
Trade creditors	7,068,848	6,648,839	6,274,432	6,005,906
Corporation Tax	514,913	441,733	118,668	39,929
Taxation and social security	-	27,338	-	27,338
Other creditors	57,162	78,874	57,162	78,874
Accruals and deferred income	883,811	1,188,032	883,811	1,188,031
VAT	1,865,375	1,500,434	1,865,375	1,500,434
	<u>10,390,109</u>	<u>9,893,329</u>	<u>9,199,448</u>	<u>8,848,591</u>

Insurance liabilities are included within trade creditors and relate to incurred but not reported ("IBNR") claims and outstanding loss reserves ("OSLR") which are calculated using an actuarial method to provide for reported and unreported loss claims where the final values are not yet known.

Notes (continued)

13 Creditors: amounts falling after more than one year

		Group		Company	
	Note	2017 £	2016 £	2017 £	2016 £
Amounts owed to group undertakings	19	-	-	2,967,327	2,981,303
		<u>-</u>	<u>-</u>	<u>2,967,327</u>	<u>2,981,303</u>
		<u>-</u>	<u>-</u>	<u>2,967,327</u>	<u>2,981,303</u>

14 Other interest-bearing loans and borrowings

Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Minimum lease payments 2017 £	Minimum lease payments 2016 £
Less than one year	-	8,079
Between one and five years	-	-
More than five years	-	-
	<u>-</u>	<u>8,079</u>
	<u>-</u>	<u>8,079</u>

Company	Minimum lease payments 2017 £	Minimum lease payments 2016 £
Less than one year	-	8,079
Between one and five years	-	-
More than five years	-	-
	<u>-</u>	<u>8,079</u>
	<u>-</u>	<u>8,079</u>

Notes (continued)

15 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2017 £	2016 £	Liabilities 2017 £	2016 £	Net 2017 £	2016 £
Accelerated capital allowances	42,362	10,881	-	-	42,362	10,881
Unused tax losses	-	121,706	-	-	-	121,706
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Tax (assets)	(42,362)	(132,587)	-	-	(42,362)	(132,587)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net tax (assets)	(42,362)	(132,587)	-	-	(42,362)	(132,587)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The amount of the net reversal of deferred tax expected to occur next year is £Nil (2016: £Nil) relating to the reversal of existing time differences on tangible fixed assets, unused tax losses.

Company	Assets 2017 £	2016 £	Liabilities 2017 £	2016 £	Net 2017 £	2016 £
Accelerated capital allowances	42,362	10,881	-	-	42,362	10,881
Unused tax losses	-	121,706	-	-	-	121,706
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Tax (assets)	(42,362)	(132,587)	-	-	(42,362)	(132,587)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net tax (assets)	(42,362)	(132,587)	-	-	(42,362)	(132,587)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The amount of the net reversal of deferred tax expected to occur next year is £Nil (2016: £Nil) relating to the reversal of existing time differences on tangible fixed assets, unused tax losses.

Notes (continued)

16 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 £58,179 (2016: £59,186)

17 Capital and reserves

Share capital

	Ordinary shares
In shares	
On issue at 1 January 2017	1,158,843
On issue at 31 December 2017 – fully paid	<u>1,158,843</u>

Consideration received for the allotment of ordinary shares during the year was nil (2016: £nil)

	2017 £	2016 £
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
	<u>60,886</u>	<u>60,886</u>
Shares classified in shareholders' funds	<u>60,886</u>	<u>60,886</u>

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)

18 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Less than one year	-	17,437	-	17,437
Between one and five years	-	-	-	-
More than five years	-	-	-	-
	<u>-</u>	<u>17,437</u>	<u>-</u>	<u>17,437</u>

During the year £17,437 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £17,437).

19 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.

As at 31 December 2017 DPAS Limited had amounts owed from group undertakings from Practice Plan Holdings Limited £4,800,000 (2016 - £4,800,000).

As at 31 December 2017 DPAS Limited had amounts owed to group undertakings to DPAS investment and consulting Limited £2,967,327 (2016 - £2,981,303), this amount has been eliminated on consolidation for these Group accounts.

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

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.