

Financial Statements DPAS Limited

For the Year Ended 31 December 2020

Registered number: 03247652



Company Information

Company Secretary	S J Pritchard
Directors	N J Beckett 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 John Street Salisbury SP1 3AA

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Strategic Report

For the Year Ended 31 December 2020

Introduction

The Directors present their strategic report on the Company for the year ended 31 December 2020.

Business review and future developments

The current financial year has been an uncertain one due to the need for dental practices to adapt to frequently changing advice, guidance and NHS contractual requirements associated with measures to reduce Covid-19 related risks. These measures have reduced the throughput of patients in practices which has had varying levels of financial impact for dentists, depending on factors such as where in the UK they are based, the degree of financial support from the NHS and the demand for dental care from patients. Initially, there were concerns about the financial resilience of dental practices in the wake of lower productivity. NHS and plan based practices were deemed at lower risk due to the maintenance of some degree of cashflow even when practices were closed completely. However, although a proportion remain financially vulnerable, many have used the restriction in the supply of dentistry and the growing demand for cosmetic dentistry to improve the financial performance of their practice.

DPAS offered support to practices during each step of the pandemic to help them keep pace with rapidly changing guidelines and examples of best practice. This support came in the form of an online resource hub through which DPAS clients could access advice, blogs, videos, useful links and webinars. Also, to assist with the initial cashflow issues created by the national shutdown of practices, a two month administration fee reduction period was instigated by DPAS for April and May 2020.

The company also found that government restrictions in the wake of the pandemic prompted a shift to remote/online client meetings and a dramatic reduction in face-to-face meetings with clients as well as other expenses. This has meant that the increasing costs of some overheads due to the pandemic have been mitigated and that the company has not had to rely on any of the government schemes such as Furlough, VAT deferral or business loans.

The profit before taxation for the financial year was £3,703,151 (2019 - £9,992,760). Excluding dividend income from investments the profit before taxation amounted to £3,053,151 (2019 - £3,192,760) 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 £3,121,044 (2019 - £9,379,801).

Dividends amounting to £1,500,000 were proposed and paid in the year ended 31 December 2020 (2019 - £11,600,000).

Total shareholders' funds at the end of the financial year were £3,083,457 (2019: £1,462,413).

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.

Strategic Report (continued)

For the Year Ended 31 December 2020

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.

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. Management considers the likelihood of this risk occurring as remote.

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: 24 March 2021

Directors' Report

For the Year Ended 31 December 2020

The Directors present their report and the Audited Financial Statements for the year ended 31 December 2020. 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 the provision of a direct debit collection and administration service for dental practice patient membership schemes together with business and marketing support, training and workshops. It also acts as an agent of Worldwide Assistance Limited in brokering discretionary emergency dental assistance.

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

N K Jones

A Farooq (Resigned 23 June 2020)

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not 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 company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations.

Directors' Report (continued)

For the Year Ended 31 December 2020

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.

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 developed 3 year plans using scenarios such as increases/decreases in plan members, increases in overhead costs, increases in requests for assistance as well as any effects an extended period of lockdown due to the Covid-19 pandemic could have on the company's finances. The Directors have also considered specific cashflow stress scenarios 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 these stress scenarios the Company continued to have sufficient liquidity to meet its liabilities as they fall due until at least 31 December 2023.

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.

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 20 were approved on 24 March 2021 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.



N J Beckett
Director

Date: 24 March 2021

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 2020 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes 1 to 18, 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 2020 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern until at least 31 December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 contained within the annual report.

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.

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 course of 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 themselves. 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.

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

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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the direct laws and regulations related to elements of company law and tax legislation, and the financial reporting framework.
- We understood how DPAS Limited is complying with those frameworks by making enquiries of management, those charged with governance and those responsible for legal and compliance matters. We also reviewed minutes of the Board of Directors, and gained an understanding of the Company's approach to governance, demonstrated by the internal control processes.

For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

For both direct and other laws and regulations, our procedures involved: making enquiry of those charged with governance and senior management for their awareness of any non-compliance of laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, inquiring about the Company's methods of enforcing and monitoring compliance with such policies, and inspecting significant correspondence with HMRC.

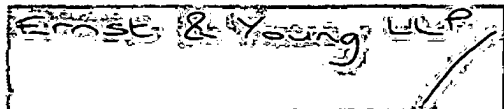
Independent Auditor's Report to the Members of DPAS Limited (continued)

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, performance targets, economic or external pressures and the impact these have on the control environment.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing to address each identified fraud risk, including procedures testing manual journals and reconciliations from cash receipts and payments to revenue.
- The company operates in the financial services industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

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



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

24 March 2021

Statement of Income and Retained Earnings

For the Year Ended 31 December 2020

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Turnover	2	4,767,984	5,406,963
Cost of sales		(180,776)	(482,770)
Gross profit		4,587,208	4,924,193
Administrative expenses		(1,542,571)	(1,935,393)
Operating profit	3	3,044,637	2,988,800
Interest receivable and similar income	6	658,514	7,003,960
Profit before taxation		3,703,151	9,992,760
Tax charge on profit	7	(582,107)	(612,959)
Profit for the financial year		<u>3,121,044</u>	<u>9,379,801</u>
Retained earnings at the beginning of the year		695,624	2,915,823
Profit for the financial year		3,121,044	9,379,801
Dividends Paid	8	(1,500,000)	(11,600,000)
Retained earnings at the end of the year		<u>2,316,668</u>	<u>695,624</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 20 form part of these financial statements.

Balance Sheet

As at 31 December 2020

	Note	31 December 2020 £	31 December 2019 £
Fixed assets			
Investments	9	-	-
Tangible assets	10	103,779	133,323
		<u>103,779</u>	<u>133,323</u>
Current assets			
Debtors: amounts falling due within one year	11	9,570,502	6,971,865
Cash at bank and in hand		1,205,259	2,608,304
		<u>10,775,761</u>	<u>9,580,169</u>
Creditors: amounts falling due within one year	12	(7,830,358)	(8,288,284)
Net current assets		<u>2,945,403</u>	<u>1,291,885</u>
Non Current assets			
Debtors: amounts falling due over one year	11	34,275	37,205
Net assets		<u><u>3,083,457</u></u>	<u><u>1,462,413</u></u>
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		2,316,668	695,624
Total shareholders' funds		<u><u>3,083,457</u></u>	<u><u>1,462,413</u></u>

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



N J Beckett

Director

Date: 24 March 2021

The notes on pages 11 to 20 form part of these financial statements

Notes to the Financial Statements

For the Year Ended 31 December 2020

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 the provision of a direct debit collection and administration service for dental practice patient membership schemes together with business and marketing support, training and workshops. It also acts as an agent of Worldwide Assistance Limited in brokering discretionary emergency dental assistance.

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 developed 3 year plans using scenarios such as increases/decreases in plan members, increases in overhead costs, increases in requests for assistance as well as any effects an extended period of lockdown due to the Covid-19 pandemic could have on the company's finances. The Directors have also considered specific cashflow stress scenarios 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 these stress scenarios the Company continued to have sufficient liquidity to meet its liabilities as they fall due until at least 31 December 2023.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

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.

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 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 contributions 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 2020

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 the 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 2020

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.

(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.

2. Turnover

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Rendering of services	2,594,907	3,123,713
Commissions	1,049,797	1,098,518
Other	1,123,280	1,184,732
	<u>4,767,984</u>	<u>5,406,963</u>

3. Operating profit

The operating profit is stated after charging:

		Year ended 31 December 2020 £	Year ended 31 December 2019 £
Depreciation of tangible assets	10	48,843	39,567
Loss on disposal of tangible fixed assets		-	746
Audit fees payable to company's auditors		25,000	25,500
Defined contribution pension cost	4	<u>47,861</u>	<u>57,118</u>

Notes to the Financial Statements

For the Year Ended 31 December 2020

4. Wages and salaries

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

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Wages and salaries	727,354	961,395
Social security costs	86,562	86,757
Other pension costs	47,861	57,118
	<u>861,777</u>	<u>1,105,270</u>

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

	Year ended 31 December 2020 No.	Year ended 31 December 2019 No.
Number of staff	<u>27</u>	<u>31</u>

5. Directors' remuneration

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Remuneration receivable	-	126,975
Company contributions to company pension schemes	-	-
	<u>-</u>	<u>126,975</u>

The highest paid Director received remuneration of £nil (2019: £126,975). All 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 (2019: £Nil).

6. Interest receivable and similar income

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Interest receivable from related parties	-	178,521
Bank interest receivable	8,514	25,439
Dividend receivable	650,000	6,800,000
	<u>658,514</u>	<u>7,003,960</u>

Notes to the Financial Statements

For the Year Ended 31 December 2020

7. Taxation

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Corporation tax		
UK corporation tax charge on profits for the year	578,520	601,964
Adjustments in respect of previous periods	657	(8,611)
Total current tax	579,177	593,353
Deferred tax (see note 13)		
Origination and reversal of timing differences	3,015	6,217
Adjustment in respect of prior period	(85)	13,389
Total deferred tax	2,930	19,606
Tax charge on profit	582,107	612,959

Factors affecting tax charge for the year.

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Profit before taxation	3,703,151	9,992,760
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	703,599	1,898,625
Effects of:		
Expenses not deductible for tax purposes	(1,579)	(4,661)
Adjustments in respect of prior periods	572	4,778
Origination and reversal of timing differences	3,015	6,217
Income not taxed	(123,500)	(1,292,000)
Total tax charge for the year	582,107	612,959

Factors that may affect future tax charges.

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19 percent, rather than the previously enacted reduction to 17 percent. The government announced in the Budget on 3 March 2021 that the rate of corporation tax will increase to 25% from April 2023. Deferred taxes at the balance sheet date have been measured using the currently enacted tax rate of 19% and reflected in these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2020

8. Dividends paid

	31 December 2020	31 December 2019
	£	£
Interim dividend of £2.49 per ordinary share (2019: £19.23)	<u>1,500,000</u>	<u>11,600,000</u>

9. Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January and 31 December 2020	<u>1</u>
Provisions	
At 1 January and 31 December 2020	<u>(1)</u>
Net book value	
At 31 December 2020	<u>-</u>
At 31 December 2019	<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 2020

10. Tangible assets

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 January 2020	200,206	200,206
Additions	19,299	19,299
Disposals	-	-
	219,505	219,505
At 31 December 2020		
Accumulated depreciation		
At 1 January 2020	66,883	66,883
Disposals	-	-
Charge for the year	48,843	48,843
	115,726	115,726
At 31 December 2020		
Net book value		
At 31 December 2020	<u>103,779</u>	<u>103,779</u>
At 31 December 2019	<u>133,323</u>	<u>133,323</u>

11. Debtors

	31 December 2020 £	31 December 2019 £
Trade debtors	6,899,142	6,916,078
Amounts owed by group undertakings	2,606,948	-
Other debtors	18,068	7,350
Deferred taxation (see note 13)	34,275	37,205
Prepayments and accrued income	46,344	48,437
	<u>9,604,777</u>	<u>7,009,070</u>
Due within one year	9,570,502	6,971,865
Due after more than one year	34,275	37,205
	<u>9,604,777</u>	<u>7,009,070</u>

Company debtors due after more than one year relate to deferred tax of £34,275 (2019 - £37,205).
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 2020

12. Creditors: Amounts falling due within one year

	31 December 2020	31 December 2019
	£	£
Trade creditors	6,258,309	6,265,442
Amounts owed to group undertakings	73,928	580,154
Corporation tax payable	578,520	601,964
Accruals and deferred income	751,379	694,579
Other creditors	26,297	22,661
VAT	141,925	123,484
	<u>7,830,358</u>	<u>8,288,284</u>

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

13. Deferred taxation

	31 December 2020	31 December 2019
	£	£
At beginning of year	37,205	56,811
Credited / (charged) to the statement of income and retained earnings (see note 7)	(2,930)	(19,606)
At end of year (note 11)	<u>34,275</u>	<u>37,205</u>

The deferred tax asset is made up as follows:

	31 December 2020	31 December 2019
	£	£
Excess of taxation allowances over depreciation on fixed assets	34,275	37,205
	<u>34,275</u>	<u>37,205</u>

14. Called up share capital

	31 December 2020	31 December 2019
	£	£
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	<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 to the Financial Statements

For the Year Ended 31 December 2020

15. Capital commitments

The company had no capital commitments as at 31 December 2020 or 31 December 2019.

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 £47,861 (2019: £57,118). These costs are recharged from Wesleyan Administration Services Limited, an associated Group company.

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 2020	31 December 2019
	£	£
As at 31 December DPAS Limited had amounts owed from the following group undertakings:		
Practice Plan Holdings Limited	2,500,000	-
Worldwide Assistance Limited	106,948	-
Amounts owed by group undertakings (Note 11)	<u><u>2,606,948</u></u>	<u><u>-</u></u>

	31 December 2020	31 December 2019
	£	£
As at 31 December DPAS Limited had amounts owed to the following group undertakings:		
Practice Plan Limited	73,928	580,154
Amounts owed to group undertakings (Note 12)	<u><u>73,928</u></u>	<u><u>580,154</u></u>

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.