

NHIS Limited

Annual report and financial statements for the year ended 30 June 2015

NHIS Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
30 June 2015

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COMPANIES HOUSE

NHIS Limited

Annual report and financial statements for the year ended 30 June 2015

| CONTENTS | Page(s) |
|---|----------------|
| Company information | 1 |
| Strategic report | 2 |
| Directors' report | 3 - 4 |
| Independent auditors' report to the members of NHIS Limited | 5 - 6 |
| Profit and loss account | 7 |
| Balance sheet | 8 |
| Notes to the financial statements | 9 - 15 |

NHIS Limited

COMPANY INFORMATION

for the year ended 30 June 2015

DIRECTORS

A Brinzer
A Foye
L Wake
P Ros

COMPANY SECRETARY

D Barton

COMPANY NUMBER

05997573

REGISTERED OFFICE

6-14 Underwood Street
London
England
N1 7JQ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

BUSINESS ADDRESS

6-14 Underwood Street
London
England
N1 7JQ

BANKING AGENT

Barclays Bank plc
1 Churchill Place
London
E14 5HP

SOLICITORS

Wragge Lawrence Graham & Co
4 More London Riverside
London
SE1 2AU

NHIS Limited

STRATEGIC REPORT

for the year ended 30 June 2015

The directors submit their strategic report for the year ended 30 June 2015.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity is the provision of specialist healthcare information solutions. The company is focussed on maintaining the quality of its data and thus retaining its position as market leader within the industry. The directors expect the company's activities to continue for the foreseeable future.

Revenue has increase from £2,273,856 in 2014 to £2,729,561 in 2015, while operating profit has decreased from £485,311 in 2014 to £463,764 in 2015.

Dividends paid in the year were £nil (2014: £nil).

BUSINESS OBJECTIVES AND STRATEGY

The company seeks to deliver sustainable growing profit from its portfolio of products in a number of markets through continued commitment to building strong management teams, organisational effectiveness, investment in technology and tight cost control.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the company arise from rapidly changing technology, which gives rise to the need for constant development and investment. Further discussion of these risks and uncertainties, in the context of Wilmington plc as a whole, is provided in the group's annual report, which does not form part of this report.

FINANCIAL RISK MANAGEMENT

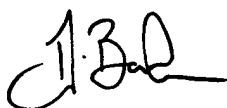
Interest rate risk, liquidity risk and capital risk are managed on a group-wide basis by the company's ultimate parent company, Wilmington plc. The company operates in accordance with funding policies controlled by the executive directors of the ultimate parent company.

The company is exposed to credit risk associated with selling on credit, which it manages through credit control procedures.

KEY PERFORMANCE INDICATORS

The directors of NHIS Limited and Wilmington plc manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis of key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of NHIS Limited. The development, performance and position of the divisions, which includes the company, is discussed in the group's annual report, which does not form part of this report.

By order of the board



D Barton
Company Secretary
4 December 2015

NHIS Limited

DIRECTORS' REPORT

for the year ended 30 June 2015

The directors submit their report and the audited financial statements of NHIS Limited for the year ended 30 June 2015. Please refer to the Strategic Report on page 2 for the disclosure on the company's financial risk management.

DIVIDENDS AND FUTURE DEVELOPMENTS

Dividends paid in the year were £nil (2014: £nil). Refer to the Strategic Report for future developments.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated were:

| | |
|--------------|-----------------------------|
| A Brinzer | |
| A Foye | |
| L Wake | |
| P Ros | (Appointed 31 July 2014) |
| N Merryfield | (Resigned 22 June 2015) |
| N Smith | (Resigned 31 December 2014) |
| C Brady | (Resigned 31 July 2014) |

DIRECTORS THIRD PARTY INDEMNITY PROVISIONS

A qualifying third party indemnity provision was in place for Directors throughout the year and at the date of the approval of the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

NHIS Limited

DIRECTORS' REPORT

for the year ended 30 June 2015

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITORS

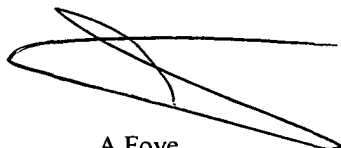
Each person who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP have indicated their willingness to remain in office.

On behalf of the board



A Foye
Director
4 December 2015

NHIS Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NHIS LIMITED for the year ended 30 June 2015

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, NHIS Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2015 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.

WHAT WE HAVE AUDITED

The financial statements, included within the Annual report, comprise:

- the Balance Sheet as at 30 June 2015;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, 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.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

NHIS Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NHIS LIMITED for the year ended 30 June 2015

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



David A Snell (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

4 December 2015

NHIS Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2015

| | <i>Note</i> | 2015 £ | 2014 £ |
|---|-------------|-----------------------|-----------------------|
| REVENUE | 2 | 2,729,561 | 2,273,856 |
| Cost of sales | | (347,208) | (317,300) |
| Gross profit | | <u>2,382,353</u> | <u>1,956,556</u> |
| Administrative expenses | | (1,918,589) | (1,471,245) |
| OPERATING PROFIT | 3 | <u>463,764</u> | <u>485,311</u> |
| Income from other fixed asset investments | | - | 2,597 |
| Interest payable and similar charges | | - | (2,918) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>463,764</u> | <u>484,990</u> |
| Tax on profit on ordinary activities | 6 | (80,157) | (41,541) |
| PROFIT FOR THE FINANCIAL YEAR | 14 | <u><u>383,607</u></u> | <u><u>443,449</u></u> |

The revenue and operating profit for the year arises from the Company's continuing operations.

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

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

NHIS Limited

BALANCE SHEET

as at 30 June 2015

Company Registration No. 05997573

| | Note | 2015 £ | 2014 £ |
|--|------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 116,765 | 100,965 |
| Investments | 8 | 11 | 11 |
| | | <u>116,776</u> | <u>100,976</u> |
| CURRENT ASSETS | | | |
| Debtors | 9 | 1,920,947 | 1,239,759 |
| Cash at bank and in hand | | 391,285 | 121,589 |
| | | <u>2,312,232</u> | <u>1,361,348</u> |
| Creditors: Amounts falling due within one year | 10 | (1,830,312) | (1,247,235) |
| NET CURRENT ASSETS | | <u>481,920</u> | <u>114,113</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>598,696</u> | <u>215,089</u> |
| NET ASSETS | | <u><u>598,696</u></u> | <u><u>215,089</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 13 | 148 | 148 |
| Profit and loss account | 14 | 598,548 | 214,941 |
| | | <u>598,696</u> | <u>215,089</u> |
| TOTAL SHAREHOLDERS' FUNDS | 15 | <u><u>598,696</u></u> | <u><u>215,089</u></u> |

The financial statements and related notes on pages 7 to 15 were approved by the board of directors and authorised for issue on 4 December 2015 and are signed on its behalf by



A Foye
Director

NHIS Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in FRS 1 'Cash flow statements' from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement.

REVENUE

Revenue represents the fair value of the consideration received or receivable for the sale of goods or services, net of discounts and sales taxes. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the company and the amount of revenue and associated costs can be measured reliably. Subscription revenue is allocated to the relevant accounting years covered by the subscription on a straight line basis or weighted in accordance with the timing of the service provided.

TANGIBLE FIXED ASSETS

Tangible assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided so as to write off the cost of a tangible asset, less its estimated residual value, over its useful economic life, as follows:

| | |
|----------------------------------|---------------------------------|
| Fixtures, fittings and equipment | straight line over 3 to 5 years |
|----------------------------------|---------------------------------|

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment. The company evaluates the carrying value of fixed asset investments to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

PENSIONS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account in the period in which they are incurred.

DIVIDENDS

Dividends are recognised in the financial statements when the shareholders' right to receive payment is established. Dividend income from subsidiary undertakings is recognised in the financial statements when subsidiaries have paid interim or final dividends.

TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

NHIS Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

1 ACCOUNTING POLICIES (CONTINUED)

TAXATION (CONTINUED)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is discounted to reflect the time value of money, using a discount rate based on the post tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Current tax for the current and prior years is provided at the amount expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2 REVENUE

Revenue is attributable to one class of business.

| | 2015 £ | 2014 £ |
|---|------------------|------------------|
| The company's turnover by geographical area was as follows: | | |
| United Kingdom | 1,960,541 | 2,273,856 |
| Europe (excluding United Kingdom) | 763,164 | - |
| Rest of the world | 5,856 | - |
| | <u>2,729,561</u> | <u>2,273,856</u> |

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

| | 2015 £ | 2014 £ |
|--|----------------|---------------|
| Depreciation of owned tangible fixed assets | 79,525 | 41,955 |
| Impairment of owned tangible fixed assets | - | 12 |
| Operating lease rentals - land and buildings | 34,000 | 32,619 |
| Auditors' remuneration: statutory audit | 6,429 | 5,197 |
| Auditors' remuneration: taxation compliance | 608 | 1,509 |
| | <u>120,562</u> | <u>81,292</u> |

4 DIRECTORS' EMOLUMENTS

| | 2015 £ | 2014 £ |
|---|----------------|----------------|
| Emoluments (excluding shares) | 113,156 | 110,573 |
| Company contributions to money purchase pension schemes | 935 | - |
| | <u>114,091</u> | <u>110,573</u> |

Two (2014: two) of the company's directors are remunerated by Wilmington Publishing & Information Limited and one (2014: one) of the company's directors is remunerated by Wilmington Healthcare Limited, fellow subsidiaries of Wilmington plc, and three (2014: two) of the company's directors are remunerated by Wilmington plc; their emoluments are disclosed in the financial statements of those relevant companies. One (2014: one) remaining director is remunerated by the company. No loss of office for the directors has been sustained during the year.

Six directors (2014: five) are entitled to shares under a long term incentive plan. Four of the directors (2014: two) are accruing benefits under money purchase pension schemes during the year.

NHIS Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

5 STAFF COSTS

| | 2015 £ | 2014 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,190,316 | 904,708 |
| Social security costs | 131,281 | 100,388 |
| Other pension costs | 9,529 | 738 |
| | <u>1,331,126</u> | <u>1,005,834</u> |

| | 2015 Number | 2014 Number |
|--|----------------|----------------|
| Monthly average number of employees during the year, including directors | | |
| Administration | 6 | 5 |
| Sales and marketing | 3 | 2 |
| Production | 17 | 14 |
| | <u>26</u> | <u>21</u> |

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 2015 £ | 2014 £ |
|--|---------------|---------------|
| Current taxation: | | |
| UK corporation tax on profits of the year | 93,912 | 106,194 |
| Adjustments in respect of prior years | (106,194) | 59,928 |
| Total current tax | (12,282) | 166,122 |
| Deferred tax - origination of timing differences | 92,439 | (124,581) |
| Tax on profit on ordinary activities | <u>80,157</u> | <u>41,541</u> |

Factors affecting the tax charge for the year:

The tax assessed for the year is lower (2014: higher) than the standard rate of corporation tax in the UK of 20.75% (2014: 22.50%).

| | 2015 £ | 2014 £ |
|--|-----------------|----------------|
| Profit on ordinary activities before taxation | <u>463,764</u> | <u>484,990</u> |
| Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 20.75% (2014: 22.50%) | 96,231 | 109,123 |
| Effects of: | | |
| Adjustments in respect of prior years | (106,194) | 59,928 |
| Other timing differences | (2,319) | (2,929) |
| Current tax charge for the year | <u>(12,282)</u> | <u>166,122</u> |

NHIS Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

6 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

Factors affecting current and future tax charges

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the results for this accounting year are taxed at a rate of 20.75%. This change has been substantively enacted at the balance sheet date and, therefore, is included in these financial statements. As deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal that are expected to apply in the periods of the reversal, deferred tax balances at 30 June 2015 have been calculated using a rate of 21% or 20%, as appropriate.

Deferred tax balances are measured using the rates of taxation in the periods in which they are expected to be realised, where those rates have been substantively enacted.

7 TANGIBLE ASSETS

| | Fixtures, fittings and equipment £ | Total £ |
|---------------------------------|---|----------------|
| COST | | |
| 1 July 2014 | 367,274 | 367,274 |
| Additions | 95,325 | 95,325 |
| 30 June 2015 | <u>462,599</u> | <u>462,599</u> |
| ACCUMULATED DEPRECIATION | | |
| 1 July 2014 | 266,309 | 266,309 |
| Charged in the year | 79,525 | 79,525 |
| 30 June 2015 | <u>345,834</u> | <u>345,834</u> |
| NET BOOK VALUE | | |
| 30 June 2015 | <u>116,765</u> | <u>116,765</u> |
| 30 June 2014 | <u>100,965</u> | <u>100,965</u> |

NHIS Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

8 INVESTMENTS

| | Total £ |
|---------------------------------|------------|
| COST | |
| At 1 July 2014 and 30 June 2015 | <u>23</u> |
| IMPAIRMENT | |
| At 1 July 2014 and 30 June 2015 | <u>12</u> |
| NET BOOK VALUE | |
| 30 June 2015 | <u>11</u> |
| 30 June 2014 | <u>11</u> |

The company holds 100% of the share capital of the following company, which is incorporated in England and Wales:

| | Shares held Class | % |
|------------------------|----------------------|-----|
| HCP Consulting Limited | Ordinary | 100 |

| 9 DEBTORS | 2015 £ | 2014 £ |
|------------------------------------|------------------|------------------|
| Amounts due within one year: | | |
| Trade debtors | 49,416 | 544,422 |
| Amounts owed by group undertakings | 1,853,026 | 584,391 |
| Other taxation and social security | 18,505 | - |
| Prepayments and accrued income | - | 18,507 |
| Deferred tax | - | 92,439 |
| | <u>1,920,947</u> | <u>1,239,759</u> |

Amounts owed by group undertakings are unsecured, interest free and receivable on demand.

Amounts owed by group undertakings include balances that correspond to invoices issued to third party customers that were distributed in the name of the company but which have or will be settled by Wilmington Shared Services Limited on behalf of the company. Wilmington Shared Services Limited provides services to the company and other group companies, and the outstanding invoices arising from that activity are classified as trade debtors in its financial statements, which can be obtained at www.companieshouse.gov.uk.

NHIS Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

| | | | |
|----|--|------------------|------------------|
| 10 | CREDITORS: Amounts falling due within one year | 2015 £ | 2014 £ |
| | Trade creditors | 23,246 | 1,801 |
| | Amounts owed to group undertakings | 402,461 | 21,624 |
| | Corporation tax | 35,475 | 107,193 |
| | Other taxation and social security | - | 133,245 |
| | Accruals and deferred income | 1,369,130 | 983,372 |
| | | <u>1,830,312</u> | <u>1,247,235</u> |

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

Amounts owed to group undertakings include balances that correspond to third party invoices that were issued in the name of the company but which have or will be settled by Wilmington Shared Services Limited on behalf of the company. Wilmington Shared Services Limited provides services to the company and other group companies, and the outstanding third party invoices arising from that activity are classified as trade creditors in its financial statements, which can be obtained at www.companieshouse.gov.uk.

| | | | |
|----|---|-----------------|----------------|
| 11 | DEFERRED TAX ASSET | 2015 £ | 2014 £ |
| | At 1 July | 92,439 | (32,142) |
| | Deferred tax in the profit and loss account | <u>(92,439)</u> | <u>124,581</u> |
| | Balance at 30 June | <u>-</u> | <u>92,439</u> |

The deferred tax asset relates to depreciation in excess of capital allowances and share based payments. The directors believe that the company will make sufficient taxable profits to allow the benefit of the deferred tax asset to be utilised in the future.

12 COMMITMENTS UNDER OPERATING LEASES

At 30 June the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings 2015 £ | Land and buildings 2014 £ |
|---|------------------------------------|------------------------------------|
| Operating leases which expire: | | |
| In less than one year | 17,000 | - |
| In more than one year, but less than five years | <u>-</u> | <u>34,000</u> |
| | <u>17,000</u> | <u>34,000</u> |

| | | | | | |
|----|-------------------------------------|----------------|----------------|------------|------------|
| 13 | CALLED UP SHARE CAPITAL | 2015 Number | 2014 Number | 2015 £ | 2014 £ |
| | Allotted, called up and fully paid: | | | | |
| | Ordinary shares of £0.01 each | 14,750 | 14,750 | <u>148</u> | <u>148</u> |

NHIS Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2015

| | | | |
|----|-------------------------------|----------------|----------------|
| 14 | PROFIT AND LOSS ACCOUNT | 2015 £ | 2014 £ |
| | At 1 July | 214,941 | (228,508) |
| | Profit for the financial year | 383,607 | 443,449 |
| | 30 June | <u>598,548</u> | <u>214,941</u> |

| | | | |
|----|--|----------------|----------------|
| 15 | RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/(DEFICIT) | 2015 £ | 2014 £ |
| | Opening shareholders' funds/(deficit) | 215,089 | (228,360) |
| | Profit for the financial year | 383,607 | 443,449 |
| | Net increase in shareholders' funds/(deficit) | <u>383,607</u> | <u>443,449</u> |
| | Closing shareholders' funds | <u>598,696</u> | <u>215,089</u> |

16 CONTINGENT LIABILITIES

The company has entered into a guarantee in respect of the ultimate parent company's committed revolving credit facility of £65,000,000, which expires in July 2020. At 30 June 2015, the company had a contingent liability of £37,305,995 (2014: £38,041,114) in respect of drawdowns from this facility.

The company has entered into an unlimited cross guarantee with the Group's bankers in respect of the net £5,000,000 (2014: £5,000,000) overdraft facility extended to certain of the company's subsidiaries and the ultimate parent company. At 30 June 2015, the company's gross contingent liability in respect of this facility was £496,060 (2014: £14,574,542) and the net contingent liability was £nil (2014: £nil).

17 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Wilmington plc, its immediate parent.

The ultimate parent company, controlling party and the parent undertaking of the largest and smallest group for which consolidated financial statements are prepared, is Wilmington plc, which is incorporated in the UK and for which financial statements are available from 6-14 Underwood Street, London N1 7JQ.

18 RELATED PARTY TRANSACTIONS

Wilmington plc, together with its other wholly owned subsidiaries, offers certain group-wide purchasing facilities to the company and other subsidiaries whereby the actual costs are recharged. Transactions during the year with other group entities were cost recharges and cash movements.

The company is a wholly owned subsidiary of a group that prepares publicly available consolidated financial statements, namely the group headed by Wilmington plc, so it has taken advantage of the exemption in paragraph 3(c) of FRS 8 'Related party disclosures' and consequently it does not disclose related party transactions with entities that are part of that group.