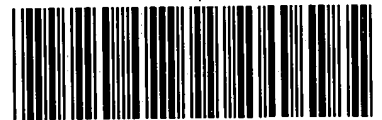


HSF health plan LIMITED
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Registered Company Number: 30869

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HSF health plan LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

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HSF health plan LIMITED
A Company Limited by Guarantee No. 30869
Founded in 1873 Incorporated 1890 Change of name 2007

Officers and Advisers 2015

Board of Directors

Executive

Mr S R Duff – Managing Director
Mr P W Jackson MSc BA (Hons) DChA – Director of Resources

Non-Executive

Mrs J L Dalton LLB (Hons)
Mr M Davies
Mr N Finlayson FCA DChA
Mr J Greenwood
Mr J Randel – Chairman
Mrs L Richards-Cole ACII
Mr D Thomas

Bankers

HSBC
UBS AG
Ulster Bank Limited

Solicitors

Iliffes Booth Bennett
Campbell Riddell Breeze Patterson
Ronan Daly Jermyn

Auditors

haysmacintyre, Chartered Accountants

Investment Managers

Sarasin & Partners LLP
UBS AG

Head Office

24 Upper Ground
LONDON SE1 9PD
Telephone: 020 7928 6662
Fax: 020 7928 0446
E-mail: marketing@hsf.eu.com

National Offices

Suite 2.4
111 Union Street
GLASGOW G1 3TA
Telephone: 0141 221 1711
Fax: 0141 248 3992
E-mail: glasgow@hsf.eu.com

5 Westgate Business Park
Kilrush Road, Ennis
Co. Clare, Ireland
Telephone: 065 686 2500
Fax: 065 686 2504
E-mail: info@hsf.eu.com

HSF health plan LIMITED

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION

The Board of Directors is pleased to present the 142nd Annual Report and the audited financial statements for the year ended 31 December 2015.

BOARD OF DIRECTORS

Mr John Randel and Mrs Lynn Richards-Cole continue to serve as Chairman and Vice Chairman respectively from November 2015. Two of the independent Directors, Mr Neil Finlayson and Mrs Lynn Richards-Cole continued their three year period of service which commenced on 1 January 2015. Neither of them serve as Directors/Trustees of the charity company.

The Board is made up of members from a range of backgrounds in general insurance, finance, private, public and charity sectors. This wealth of experience is invaluable to the Company and ensures that it is managed efficiently.

Mr Stephen Duff as Managing Director and Mr Paul Jackson as Director of Resources continue in these roles. The latter also serves as Chief Executive of the charity.

A further extensive annual review and updating of the risk register was undertaken with the conclusion being reached again that working practices and procedures were satisfactory. Board and Committee business plans were updated to reflect current and future activities. The Board maintains a strong commitment to its regulatory responsibilities working closely with its Compliance Manager.

COMMITTEE MEMBERSHIP AT 31 DECEMBER 2015

Finance	Human Resources	Sales and Marketing	Internal Audit
Mr N Finlayson – Chairman	Mrs J Dalton – Chairman	Mr M Davies - Chairman	Mrs L Richards-Cole - Chairman
Mr J Greenwood	Mr S R Duff	Mr S R Duff	Mrs J Dalton (until 16 November 2015)
Mr J Randel	Mr P W Jackson	Mr J Randel	Mr S R Duff
Mr S R Duff (in attendance)	Mr J Randel	Mrs L Richards Cole	Mr J Randel
Mr P W Jackson (in attendance)	Mr D Thomas		

FINANCIAL INSTRUMENTS

The Company holds a range of financial investments including both Sterling and Euro cash deposits and stock market investments. The Company's Directors are careful to manage the Company's exposure to any one counterparty and ensure the nature of the financial investments are appropriate to the Company's activities, objectives and the maintenance of the Company's PRA solvency requirement.

HSF health plan LIMITED

REPORT OF THE BOARD OF DIRECTORS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report, the Strategic 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 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 estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which 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.

So far as each of the Directors is aware at the time the report is approved:

- there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information (s. 234ZA (2)).

On behalf of the Board of Directors on 21 March 2016



JOHN RANDEL, *Chairman*



STEPHEN DUFF, *Managing Director*

HSF health plan LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The Board of Directors present their Strategic Report for the year ended 31 December 2015.

BACKGROUND AND PRINCIPAL ACTIVITIES

HSF health plan Limited, a Company Limited by Guarantee, provides a range of health cash plan schemes throughout the United Kingdom and the Republic of Ireland. The original Hospital Saturday Fund was founded in 1873.

THE ASSOCIATION OF THE HOSPITAL SATURDAY FUND

At the Association General Meeting in October 2015 Mr John Greenwood was re-elected to serve for a further year as Chairman of the Association and the Board of Directors of the charity company. By virtue of this office, he also serves as a Director of HSF health plan Limited.

REVIEW OF THE YEAR

PREMIUM INCOME AND BENEFIT PAYMENTS

Total premiums (less Insurance Premium Tax) for the year were £24,910,800. Benefits payable (including Personal Accident premiums and helplines) for the year were £19,414,054 (being claims incurred £17,926,761, Personal Accident premiums £1,189,147, helplines £268,146, and Perk Box £30,000) and represented 77.93% of premium income.

INVESTMENTS

The Company's investments decreased in value from £14,823,923 to £14,794,960 comprising net disposals of £75,430 and combined realised and unrealised gains of £46,467

RESERVES

The profit for the year of £434,692 after taxation has increased the Company's reserves to £17,942,493 at 31 December 2015.

PRINCIPAL RISKS

The Board carefully monitors the Company's risk exposure in all areas investment, operational, financial, human resources and sales. The principle risks of claims rates and currency exchange are monitored closely and also in preparation for the introduction of Solvency II extensive training and reviews of business risks have been undertaken further details of this can be found under Solvency II. The Board are satisfied this is on course and continue to review this regularly along with the Company's risk registers.

SOLVENCY II

The Solvency II regime which comes into effect from 1st January 2016 is a principle risk for the company and the Board have recognised this and taken extensive steps to adhere to this regime with work being carried out on various items throughout 2015 including enhancements to internal audit, governance and extensive training for both key staff and Non-Executive Directors. This work continues on into 2016 and the Board will continue to monitor this and ensure the company continues to satisfy their solvency requirements.

ANNUAL GENERAL MEETING 2015

The meeting was held on 14 May 2015 and was attended by a Member of the Association of The Hospital Saturday Fund acting as 'The Member' attending and voting in accordance with the structures and relationship between The Hospital Saturday Fund and HSF health plan Limited. The Annual Report and Accounts for the year ended 31 December 2014 were adopted.

HSF health plan LIMITED

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

SALES AND MARKETING

There was an increase in new business against prior year of 14.2%, though overall premium income decreased by 1%. Two new Account Executives were recruited to the sales team to fill vacancies in key territories and a Sales Support Coordinator added to the Sales Support Team.

The number of new companies launching HSF schemes rose by 16%. The number of policyholders overall fell by 2.5% to 101,806 at the year end.

INVESTOR IN PEOPLE AND STAFF TRAINING

The company remains fully committed to its ongoing staff training and development program, the company's aim is to be re-accredited for another three years when measured against the Gold Standard in June 2016.

APPRECIATION


The Board would like to extend its thanks to the staff who continue to demonstrate an extremely high level of commitment and dedication in the service they provide to our policyholders.

We would also like to extend our thanks to companies, charities, hospital staff, or individuals who work with us throughout the United Kingdom and Ireland.

SUMMARY

The Directors are satisfied with the results this year and all profits have been gift aided to The Hospital Saturday Fund.

On behalf of the Board of Directors on 21 March 2016



JOHN RANDEL, *Chairman*



STEPHEN DUFF, *Managing Director*

HSF Mission Statement

Our Mission is: To be recognised as the number one Health Cash Plan provider in the UK and Ireland by offering the best value range of schemes and ensuring a first class service for every policyholder

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

HSF health plan LIMITED

We have audited the financial statements of HSF health plan Limited for the year ended 31 December 2015 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's Member in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's Member those matters we are required to state to the Member 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 Member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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 (applicable to insurance companies).

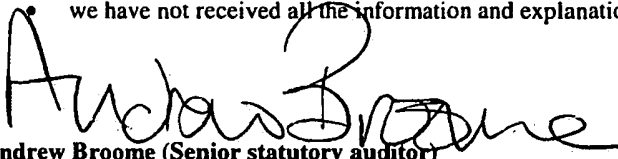
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.


Andrew Broome (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

HSF health plan LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	£	2015 £	£	2014 £
Technical account general business					
Earned premiums					
Gross premiums written		24,759,200		25,265,066	
Change in the gross provision for unearned premiums		151,600		(29,746)	
Gross premiums earned			24,910,800		25,235,320
Less: reinsurance premiums			(1,189,147)		(1,218,324)
Net premiums earned			23,721,653		24,016,996
Claims incurred					
Gross claims paid	4	(17,561,922)		(18,097,530)	
Change in the gross provision for claims outstanding		(364,839)		19,918	
			(17,926,761)		(18,077,612)
Net operating expenses	6		(5,539,049)		(5,185,003)
Balance on the technical account for general business			255,843		754,381
Non-technical account					
Investment income					
Income from other financial investments		355,528		308,477	
Interest receivable		45,257		48,907	
Realised gains/(loss) - other financial investments		60,176		(49,438)	
Unrealised gains - other financial investments		46,467		572,672	
Investment expenses and charges		(111,419)		(79,077)	
			396,009		801,541
Profit on ordinary activities before donations			651,852		1,555,922
Donations	7		(193,700)		(997,309)
Profit on ordinary activities before tax	5		458,152		558,613
Taxation	9		(23,460)		18,133
Profit for the year after tax			434,692		576,746

The profit on ordinary activities before tax is wholly attributable to continuing activities.

The notes on pages 12 to 19 form part of these financial statements.

HSF health plan LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	£	£
Profit for the financial year	434,692	576,746
Revaluation of freehold property	50,000	700,000
Movement on deferred tax relating to property revaluation	28,529	(101,977)
Total comprehensive income for the year	<u>513,221</u>	<u>1,174,769</u>

HSF health plan LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2015**

	General Fund	Total Reserves
At 1 January 2014	16,254,503	16,254,503
Profit for the financial year	576,746	576,746
Other comprehensive income	598,023	598,023
Total comprehensive income	<u>1,174,769</u>	<u>1,174,769</u>
At 31 December 2014	<u>17,429,272</u>	<u>17,429,272</u>
Profit for the financial year	434,692	463,221
Other comprehensive income	78,529	50,000
Total comprehensive income	<u>513,221</u>	<u>513,221</u>
At 31 December 2015	<u>17,942,493</u>	<u>17,942,493</u>

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	£	2015	£	£	2014	£
ASSETS							
Investments							
Land and buildings	10	2,500,000			2,500,000		
Other financial investments	11	14,794,960			14,823,923		
				17,294,960			17,323,923
Debtors							
Debtors arising out of direct insurance operations:							
- policyholders		1,786,420			1,782,110		
Other debtors		449,015			478,700		
				2,235,435			2,260,810
Other Assets							
Tangible fixed assets	12	724,950			235,281		
Cash at bank and in hand		1,848,173			2,030,884		
				2,573,123			2,266,165
Prepayments and Accrued Income							
				193,959			299,685
TOTAL ASSETS							
				22,297,477			22,150,583
LIABILITIES							
Reserves							
General fund	14			17,942,493			17,429,272
Technical Provisions							
Provision for unearned premiums		626,612			778,212		
Provision for claims outstanding		2,619,738			2,254,899		
				3,246,350			3,033,111
Provisions for Other Risks and Charges							
Provision for deferred taxation	13			198,834			203,903
Creditors							
Other creditors including taxation and social security		807,325			703,204		
Amounts owed to the parent		102,475			781,093		
				909,800			1,484,297
TOTAL LIABILITIES							
				22,297,477			22,150,583

The financial statements were approved and authorised for issue by the Board of Directors on 21 March 2016 and were signed below on its behalf by:

JOHN RANDEL, Chairman



STEPHEN DUFF, Managing Director



The notes on pages 12 to 19 form part of these financial statements.

HSF health plan LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Reconciliation of profit on ordinary activities to net operating cash flows		
Profit on ordinary activities	434,691	576,746
Taxation	23,460	(18,133)
Unrealised gains on other financial investments	(46,467)	(572,672)
Realised (gain)/loss on other financial investments	(60,176)	49,438
Income from other financial investments and cash	(400,785)	(357,383)
Depreciation	189,158	138,624
Decrease in premiums due and other debtors	131,101	62,040
Decrease in benefit claims and other creditors	(361,258)	(542,799)
Net cash flow from operating activities	(90,276)	(664,139)
Cash flows from investing activities		
Income received from other financial investments	355,528	308,477
Interest received	45,257	48,906
Purchases of tangible fixed assets	(628,827)	(123,925)
Purchases of other financial investments	(4,621,030)	(13,657,136)
Sales of other financial investments	4,756,637	14,047,393
Net cash flow from investing activities	(92,435)	623,715
Decrease in cash holdings	(182,711)	(40,424)
Cash and cash equivalents at 1 January 2015	2,030,884	2,071,308
Cash and cash equivalents at 31 December 2015	1,848,173	2,030,884
Analysis of cash and cash equivalents		
Cash in hand	1,848,173	2,030,884
Total cash and cash equivalents	1,848,173	2,030,884

HSF health plan LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. COMPANY INFORMATION

HSF health plan Limited, a company limited by guarantee incorporated in the United Kingdom. Its registered office is 24 Upper Ground, London, ST1 9PD.

2. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with:

- the provisions of Schedule 3 to the Companies Act 2006, which cover disclosures applicable to insurance companies;
- the Association of British Insurers' ("ABI") Statement of Recommended Practice on Accounting for Insurance Business ("SORP") issued in December 2005, and
- applicable accounting standards, including Financial Reporting Standard 102 ('FRS 102'). This is the first year in which the financial standards have been prepared under FRS 102. Refer to note 21 for an explanation of the transition.

(a) Premiums

Earned premiums represent premium income from policyholders for the year, excluding insurance premium tax and including amounts due on 31 December and subsequently received.

Provision is made for premiums received, but not earned at the balance sheet date.

All premiums arise in the United Kingdom and Ireland.

(b) Claims Incurred

Claims incurred represent benefits payable to policyholders for the year, and include a provision for claims in respect of the year to 31 December settled after that date.

(c) Acquisition Costs

The costs of acquiring new business are recognised in the year to which they relate.

(d) Depreciation

Depreciation is calculated to write off the cost or valuation less estimated residual value of assets in equal instalments over their expected useful lives. The rates used are as follows:

Freehold property	2%
Furniture and equipment	20%
Computer equipment	25%

(e) Translation of Foreign Currency

Transactions in foreign currencies are converted monthly at the relevant month end rates of exchange. At the year end assets and liabilities are converted at the exchange rates ruling at that date. Exchange differences are taken to the Profit and Loss Account.

HSF health plan LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

2. ACCOUNTING POLICIES (continued)

(f) Pension Costs

The Company makes contributions to employees' group personal pension plans. The pension cost charge represents contributions payable by the Company to the group personal pension plans in respect of the year.

(g) Investments

Land and buildings occupied by the Company for its own purposes are stated at valuation less depreciation.

Listed investments are included in the balance sheet at market value. Unrealised gains and losses on the revaluation of listed investments are taken to the Profit and Loss Account.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and market value at the previous financial year end or cost if the investment was acquired subsequently.

(h) Deferred Taxation

Full provision is made for deferred tax assets and liabilities within the accounts in respect of all timing differences which are differences between taxable profits and total comprehensive income that 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. A net deferred tax asset is recognised only if it can be regarded as probable that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

(i) Operating leases

Rental costs payable under operating leases are charged to Profit and Loss Account over the period of each lease.

(j) Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like debtors arising out of direct insurance operations, trade payables, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

(k) Significant judgements and estimates

The company requires management to make significant judgements and estimates in the preparation of the financial statements. The items in the financial statements where these judgements and estimates have been made include the translation of foreign currency into the reporting currency and the technical provisions. The most significant judgement and estimate in the accounts is the technical provisions which are calculations based on claims and premium trends from the previous two years to estimate to provisions required at the year end.

3. PREMIUM INCOME

The Company is engaged in only one class of business all of which arises in the United Kingdom and Ireland.

HSF health plan LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015

4. GROSS CLAIMS PAID	2015 £	2014 £
Hospital	2,461,839	2,615,034
Day case	504,421	535,447
Recuperation	213,420	227,289
Birth Grant	884,520	989,177
Specialists/investigations	1,993,032	1,969,582
Dental/optical	8,237,620	8,492,803
Home help	4,491	10,752
Practitioners	1,917,119	1,888,523
General Practitioners/Prescriptions/Emergency department	1,221,227	1,260,024
Surgical appliances/hearing aids	124,233	108,899
	<u>17,561,922</u>	<u>18,097,530</u>
5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	2015 £	2014 £
Profit on ordinary activities before tax is stated after Charging/(crediting):		
Depreciation - owned assets (Note 10 and 12)	189,158	138,624
Auditors' remuneration - audit (including VAT)	30,000	25,470
- other (including VAT)	6,600	6,090
Operating leases - motor vehicles and office equipment	138,214	145,242
Foreign exchange gain	(55,593)	(78,043)
	<u></u>	<u></u>
6. NET OPERATING EXPENSES	2015 £	2014 £
Staff costs	3,318,697	3,448,558
Other administrative expenses	1,550,933	1,151,576
Sales/marketing expenses	669,419	584,869
	<u>5,539,049</u>	<u>5,185,003</u>
7. DONATIONS	2015 £	2014 £
The following donations were made under Gift Aid to registered charities		
The Hospital Saturday Fund	193,174	997,745
Other	526	(436)
	<u>193,700</u>	<u>997,309</u>
8. STAFF COSTS	2015 £	2014 £
Wages and salaries	2,510,799	2,750,362
Social security costs	383,979	293,555
Other pension costs (see note 15)	423,919	404,641
	<u>3,318,697</u>	<u>3,448,558</u>

HSF health plan LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

8. STAFF COSTS (continued)	2015	2014
	£	£
Staff costs of Directors including emoluments	413,792	402,476
Highest paid Director : Emoluments including benefits-in-kind and pension	189,646	184,411

Contributions totalling £67,126 (2014: £60,125) were made to group personal pension plans in respect of 2 Directors (2014: 2 Directors).

Remuneration of key management personnel is £698,619 (2014: £677,645)

The average number of persons employed during the year was:

Sales	23	23
Administration	45	42
	<u>68</u>	<u>65</u>

9. TAXATION

The tax charge in the Profit and Loss Account is made up as follows.

	2015	2014
	£	£
Corporation tax (see below)	-	-
Movement in deferred tax provision (see note 13)	(23,460)	18,133
	<u>(23,460)</u>	<u>18,133</u>

The tax assessed for the year differs from the standard corporation tax rate in the UK of 20.25% (2014: 21.49%). The differences are explained below:

Profit on ordinary activities before tax	458,152	558,613
Corporation tax at the standard rate of 20.25% thereon (2014: 21.49%)	92,760	120,064
Effects of:		
Amounts not deductible for tax purposes	1,736	12,561
Depreciation in excess of capital allowances	-	(4,777)
Dividend and distribution income	(71,522)	(53,723)
Realised gains on investments	14,981	26,271
Marginal relief	(2)	(96)
Income tax recoverable	(2,186)	(10,331)
Other short term differences	(35,767)	(89,969)
Corporation tax on profit/(loss) on ordinary activities	<u>-</u>	<u>-</u>

HSF health plan LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

10. LAND AND BUILDINGS

The Company owns a freehold property at 24 Upper Ground, London SE1 9PD which is used for the Company's own activities. On 18 February 2016, a full valuation was performed and the property was valued at £2,500,000 on an open market basis by Dunsin Surveyors, Chartered Surveyors.

At Valuation	2015 £
At 1 January 2015	2,500,000
Revaluation	-
	<u>2,500,000</u>
Depreciation	
At 1 January 2015	-
Charge for the year	50,000
Revaluation	(50,000)
	<u>-</u>
At 31 December 2015	-
Net book value	
At 31 December 2015	<u>2,500,000</u>
At 31 December 2014	<u>2,500,000</u>

11. OTHER FINANCIAL INVESTMENTS

	2015 £	2014 £
At market value		
United Kingdom investments	4,528,430	5,956,807
Overseas investments	5,312,968	5,859,946
Bonds	3,039,255	3,007,170
Other	1,914,307	-
	<u>14,794,960</u>	<u>14,823,923</u>

The cost of other financial investments as at 31 December 2015 was £13,790,733 (2014: £13,655,504).

Reconciliation of movement in the year		
Market value at 1 January 2015	14,823,923	14,690,946
Additions	4,621,030	13,657,136
Disposals	(4,696,460)	(14,096,831)
Unrealised gain on investments	46,467	572,672
	<u>14,794,960</u>	<u>14,823,923</u>

HSF health plan LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

12. TANGIBLE FIXED ASSETS				Furniture and Equipment £
Cost				
At 1 January 2015				1,210,361
Additions				628,827
At 31 December 2015				<u>1,839,188</u>
Depreciation				
At 1 January 2015				975,080
Charge for year				139,158
At 31 December 2015				<u>1,114,238</u>
Net book value				
At 31 December 2015				<u>724,950</u>
At 31 December 2014				<u>235,281</u>
13. PROVISION FOR DEFERRED TAXATION	Liability on Property revaluation	Liability on Investment gains	Fixed asset - timing differences	Total
		£	£	£
At 1 January 2015	(210,527)	(10,497)	17,121	(203,903)
Profit and loss account	9,000	9,625	(42,085)	(23,460)
Other comprehensive income	28,529	-	-	28,529
At 31 December 2015	<u>(172,998)</u>	<u>(872)</u>	<u>(24,964)</u>	<u>(198,834)</u>
14. RESERVES			General Fund	Total
			£	£
At 1 January 2015			17,429,272	17,429,272
Retained profit for the year			434,692	434,692
Other comprehensive income			78,529	78,529
At 31 December 2015			<u>17,942,493</u>	<u>17,942,493</u>

HSF health plan LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2015****15. PENSION COSTS**

The Company makes contributions to group personal pension plans. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable for the year by the Company to the personal pension plans and amounted to £423,919 (2014: £404,641).

At the balance sheet date, there were outstanding contributions of £0 (2014: £66,129).

16. CONTINGENT LIABILITIES

No provision has been made for any levy which the Company may be called upon to pay under the provisions of the Policyholders Protection Act 1975. The maximum amount of any such levy in respect of the current financial year would be £247,592 (2014: £252,420).

The company may have a liability to a pension scheme to which certain employees formerly belonged. The Directors are advised that the potential liability should not exceed £250,000, and the timing of any payment is uncertain. No provision has been made in respect of any potential liability.

17. FINANCIAL INSTRUMENTS

	2015 £	2014 £
Financial assets		
Financial assets measured at amortised cost	2,235,435	2,260,810
Financial liabilities		
Financial liabilities measured at amortised cost	4,156,150	4,517,408

Financial assets measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise technical provisions and other creditors.

18. OPERATING LEASE COMMITMENTS

At 31 December 2015, the Company had future minimum rentals payable under operating leases which expire as follows:

	2015		2014	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	-	6,466	-	11,445
In the second to fifth years inclusive	26,956	160,430	65,680	207,850
In more than five years	93,664	-	-	-
	<u>120,620</u>	<u>166,896</u>	<u>65,680</u>	<u>219,295</u>

19. RESERVES

General fund represents accumulated profits after tax of the year and prior periods.

HSF health plan LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

20. ULTIMATE PARENT UNDERTAKING/ULTIMATE CONTROLLING PARTY

The Company's ultimate parent undertaking is The Hospital Saturday Fund, a Charitable Company registered in England and Wales. The Directors consider there to be no ultimate controlling party.

21. FIRST TIME ADOPTION OF FRS 102

The company transitioned to FRS 102 from UK GAAP as at 1 January 2014. The impact from the transition to FRS 102 is as follows:

Reconciliation of reserves at 1 January 2014

	£
Reserves at 1 January 2014 under previous UK GAAP	16,371,653
Deferred tax	(117,150)
	<hr/>
Reserves at 1 January 2014 under FRS 102	16,254,503
	<hr/>

Reconciliation of reserves at 31 December 2014

	£
Reserves at 31 December 2014 under previous UK GAAP	17,639,799
Deferred tax	(210,527)
	<hr/>
Reserves at 31 December 2014 under FRS 102	17,429,272
	<hr/>

Reconciliation of profit and loss for the year ended 31 December 2014

	£
Profit for the year ended 31 December 2014 under previous UK GAAP	568,146
Deferred tax	8,600
	<hr/>
Profit for the year ended 31 December 2014 under FRS 102	576,746
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Deferred tax

Under FRS 102, deferred tax is recognised on a timing difference plus approach, whereas previous UK GAAP required a timing difference approach. Consequently deferred tax has been recognised on the fair value remeasurement of the property.