

**Company No. 01981238**

**Report and Financial Statements**

**Denplan Limited**

**31 December 2013**

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**REPORT AND FINANCIAL STATEMENTS 2013**

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## **STRATEGIC REPORT**

### **Overview of Denplan**

The Company's principal business is to provide an independent capitation plan to the dental profession and its patients, together with the administration of the plan. Denplan provides products and services to dental practitioners and their patients. The Company administers insurance products for corporate clients and also offers plans to veterinary practices.

Dentistry in the UK remains stable but challenging. Patients paying out of their own pocket either on a treatment basis or on a capitation plan continue to be affected by the less than favourable economic climate. Private dentists, therefore, continue to find conditions challenging, although the growth in new business is slow dentists are more successfully retaining their Denplan patient base. In contrast NHS dentists are starting to feel the increasing financial pressure on public finances leading to the average NHS dentist income falling significantly. The sale of capitation plans to the dental profession and its patients remains Denplan's largest source of income and the major focus for its business. Denplan intends to continue to support dentists and patients providing products and services which improve the provision and funding of dental services. Two years after the acquisition by Simplyhealth, Denplan continues to flourish with a strong programme of investment in new opportunities.

### **Technology**

The Company has started to invest in the development of a new system to improve the customer experience together with improved information and access to the practices we support.

### **Risk management**

The Company is exposed to financial risk through the inherent uncertainty in undertaking business affecting its financial assets and liabilities.

### **Credit Risk**

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies and cash investments are limited to short term banking deposits. Denplan has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

**STRATEGIC REPORT (continued)**

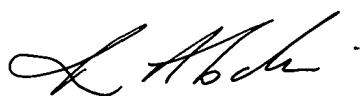
**Market Risk**

Changes in legislation or increased funding of NHS dentistry could adversely affect Denplan and reduce the ability to sell or develop the market sector.

Like all organisations we live in an uncertain world and as part of our risk management work we continually identify, assess and take steps to manage these risks and indeed opportunities which could affect the future development of our business.

The Company is part of the Simplyhealth Group, which has established group wide processes for risk acceptance and risk management which are addressed through a framework of policies, procedures and internal controls. All policies are subject to ongoing review by management, risk management and group internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company and the compliance and finance teams take on an important oversight role in this regard.

Approved by the board of directors and signed on behalf of the board

A handwritten signature in black ink, appearing to read 'R. Abdin', with a small dot at the end.

Romana Abdin, Chief Executive

25 March 2014

## **DIRECTORS' REPORT**

### **Result**

The results for the year are shown in the profit and loss account on page 8. The company achieved a retained profit of £6.1m (2012 £7.6m) for the year.

### **Going Concern**

The current uncertain economic conditions present increased risk for all businesses. In response to such conditions, the Directors have carefully considered these risks and the extent to which they might affect the preparation of the financial statements on a going concern basis.

The Directors consider that the business maintains an appropriate level of capital and liquidity sufficient to meet the normal demands of the business and Denplan is also considered within the group's assessment of going concern and stressed scenarios have been considered at Group level. In addition the Company's assets are assessed for recoverability on a regular basis and where not already fair valued an additional provision is made where appropriate.

On this basis the Directors have a reasonable expectation that despite uncertain market conditions, the company has sufficient capital to ensure that it will continue in operational existence for the foreseeable future, accordingly the directors have adopted the going concern basis in preparing the financial statements.

### **People**

Denplan is part of the Simplyhealth Group and is committed to a policy of equal opportunity in recruitment, training, career development and promotion of staff, irrespective of gender, marital status, race or ethnic origin. Full and fair consideration is also given to disabled persons including the rehabilitation and retention of staff who become disabled, having regard to their particular aptitudes and abilities.

Great importance is placed on good communications with employees and in seeking to inform and involve staff in the development of their operations and in the achievement of their business goal.

A full range of written, audio, video and regular face-to-face communications, including team briefings, regular appraisals, company newspapers and various bulletins are used. Regular consultation is maintained with staff representative groups on the complete range of employment and business issues.

The Company has Investors in People accreditation.

### **Business performance**

The Company has posted a strong set of results for 2013 and has a number of initiatives in place to build on this performance for 2014.

The board monitors the progress of the Company by reference to the following key performance indicators:

	<b>2013</b>	<b>2012</b>
Turnover	£36.1m	£35.4m
Net profit after tax	£6.1m	£7.6m
Expense ratio	77%	71%

### **DIVIDENDS**

No interim dividends were paid in 2013 (2012 £nil).

The directors of the Company do not recommend the payment of a final dividend for the year ended 31 December 2013 (2012 £nil).

## **Denplan Limited**

### **DIRECTORS' REPORT (continued)**

#### **DIRECTORS**

The Directors who served throughout the year were:

Mrs R. Abdin	
Mr J. Wilson	(appointed 22 November 2013)
Mr B D J Kent	(appointed 22 October 2013)
Mr D. Benjamin	(resigned 30 June 2013)
Mr I. M. Maude	(resigned 22 October 2013)

The secretaries who served Denplan Limited throughout the year were Mrs R. Abdin (resigned 30 June 2013) and Mrs H. Swift (appointed 1 July 2013)

#### **REGISTERED OFFICE**

Hambleton House  
Waterloo Court  
Andover  
Hampshire  
SP10 1LQ

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

In the case of each of the persons who are directors of the company at the date when this report was approved:

- So far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and
- Each of the Directors has taken all the steps that he or she ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **AUDITOR**

Deloitte LLP has expressed its willingness to continue in office as the Company's auditor.

Approved by the board of directors and signed on behalf of the board



Hollie Swift  
Company Secretary

Date 25 March 2014

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Annual 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 the 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 the 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;
- State whether applicable UK Accounting Standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENPLAN LIMITED

We have audited the financial statements of Denplan Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 20. 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 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.

### Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### 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 2013 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.

### 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.

### 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.



Elanor Gill (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Reading, United Kingdom  
Date

25 March 2014



**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2013**

	<b>Note</b>	<b>2013 £'000</b>	<b>2012 £'000</b>
<b>TURNOVER</b>	<b>1</b>	<b>36,145</b>	<b>35,364</b>
Administrative expenses		(27,798)	(25,226)
<b>OPERATING PROFIT</b>		<b>8,347</b>	<b>10,138</b>
Interest receivable and other income	<b>5</b>	201	156
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>8,548</b>	<b>10,294</b>
Taxation charge on profit on ordinary activities	<b>6</b>	(2,405)	(2,737)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>15</b>	<b>6,143</b>	<b>7,557</b>

The Company has no recognised gains and losses other than those included above, and therefore no separate statement of total recognised gains and losses has been presented. All operations are derived from continuing activities. There is no difference between the reported losses and the loss calculated on an historical cost basis.

The notes on pages 10 to 17 form an integral part of these financial statements.

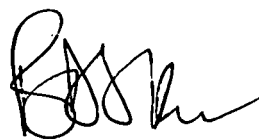
**Denplan Limited**

Company number: 01981238

**BALANCE SHEET**  
**As at 31 December 2013**

	Note	2013 £'000	2012 £'000
<b>FIXED ASSETS</b>			
Tangible assets	7	704	750
		<b>704</b>	<b>750</b>
<b>CURRENT ASSETS</b>			
Debtors	8	6,755	6,765
Cash at bank and in hand	10	30,695	27,869
		<b>37,450</b>	<b>34,634</b>
<b>CREDITORS</b>			
Creditors falling due within one year	11	(21,467)	(25,248)
Provisions	13	(2,296)	(1,315)
		<b>(23,763)</b>	<b>(26,563)</b>
NET CURRENT ASSETS		13,687	8,071
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>14,391</b>	<b>8,821</b>
Creditors falling due more than one year	12	(300)	(873)
<b>NET ASSETS</b>		<b>14,091</b>	<b>7,948</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	3,568	3,568
Share premium account	15	550	550
Capital redemption reserve	15	250	250
Profit and loss account	15	9,723	3,580
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>14,091</b>	<b>7,948</b>

These financial statements were approved by the Board on 25 March 2014.


Romana Abdin  
Chief Executive

Ben Kent  
Director

The notes on pages 10 to 17 form an integral part of these financial statements.

## **NOTES TO THE ACCOUNTS**

### **1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The accounting policies adopted have been used consistently in both the current and preceding year.

#### **Introduction**

The financial statements conform to applicable standards and have been prepared under the historical cost convention, on the going concern basis, as shown in the Directors' Report and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom.

#### **Third party funds**

Third party funds are held in separate trust bank accounts. The company follows generally accepted industry practice by showing third party funds within cash and creditors.

#### **Cash and cash equivalents**

Cash and cash equivalents are defined as cash at bank and in hand. These include funds held on behalf of third parties that are not available for use by the Company or the Simplyhealth Group. The offsetting liability is included in 'Creditors: Amounts falling due within one year' in note 11.

#### **Pension costs**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

#### **Segmental analysis**

In the opinion of the Directors, the company has only one material class of business, the provision of Dental products and services, which is materially within the United Kingdom.

#### **Taxation**

The company is liable to taxation on its profit or loss on ordinary activities. Current tax is provided at amounts expected to be paid or recovered using the tax rate and laws that have been enacted or substantively enacted by the balance sheet date.

#### **Deferred 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 recognised as 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. Deferred tax is measured on an undiscounted basis.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historic purchase 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 calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

**NOTES TO THE ACCOUNTS (continued)**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible fixed assets and depreciation (continued)**

Depreciation is provided on a straight line basis at the following rates:

	<u>per annum</u>
Computer hardware	33 1/3%
Office equipment, fixtures and fittings	20%
Short leasehold property	Short leasehold property was depreciated over remaining life of lease
Improvement to leasehold properties	Over remaining life of lease

Expenditure on software under £1.5m is not capitalised.

Carrying values of fixed assets are reviewed for impairment on an annual basis. Provision for diminution in value is made if events or changes in circumstances indicate the carrying value may not be recoverable.

**Leases**

Rental costs under operating leases are charged to the profit and loss account as incurred on a straight line basis over the lease term. Leasing agreements that transfer to the Company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in tangible assets and the capital element of the leasing commitment is included within creditors. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged systematically to the profit and loss account over the lease period. Assets held under such leases are depreciated over the shorter of the lease terms and the useful life of equivalent owned assets.

**Turnover**

Turnover in respect of business with personal customers comprises amounts received by the Company in respect of products and services provided in the form of registration fees from patients, which are recognised on a receipts basis, administration fees from dentists and insurance commission from insurance sales to patients, which are recognised when the services are provided. Turnover in respect of corporate business is recognised when the services are provided and represents insurance commission from insurance sales to companies and their employees. All amounts exclude value added tax.

Turnover has been generated wholly from the UK.

## NOTES TO THE ACCOUNTS (Continued)

## 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Operating profit is stated after charging:	2013 £'000	2012 £'000
Depreciation – owned assets	243	267
Operating Leases – motor cars	336	389
Operating Leases – buildings	395	395
Fees payable to the Company's auditors for the audit of the Company's annual accounts	50	32
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## 3. STAFF COSTS

Staff costs during the year	2013 £'000	2012 £'000
Wages and salaries	11,518	11,077
Social security costs	1,188	1,187
Other pension costs	954	998
Training, recruitment and other staff costs	846	1,162
	<hr/>	<hr/>
	<b>14,506</b>	<b>14,424</b>
	<hr/>	<hr/>
Average number of persons employed	2013	2012
Operations	72	71
Finance and other administration services	250	239
	<hr/>	<hr/>
	<b>322</b>	<b>310</b>
	<hr/>	<hr/>

All Directors are employed by and receive emoluments from Simplyhealth People Limited, a subsidiary of the ultimate parent company, Simplyhealth Group Limited. During the year the Directors consider that their services to the Company were incidental to their other duties and accordingly no remuneration, fees or other benefits were paid to the Directors by the Company in the current or prior periods.

## 4. STAFF COSTS

**Directors' remuneration**

All Directors were Directors of Simplyhealth Group Limited during the year. All Secretaries were Secretaries of Simplyhealth Group Limited during the year. The Directors' emoluments, which relate to their services to the Simplyhealth Group as a whole, are disclosed in the financial statements of that company.

**Directors' interests in transactions**

No contract in which a director was interested and which was material to the Group or its subsidiaries or to the other transacting party existed during the year.

**Loans to directors and connected persons**

No loans or quasi-loans exceeding £5,000 to directors and connected persons were made or subsisted during the year.

## NOTES TO THE ACCOUNTS (Continued)

## 5. INCOME FROM OTHER INVESTMENTS

	2013 £'000	2012 £'000
Bank and other interest	201	156
<b>Income from other investments</b>	<b>201</b>	<b>156</b>

## 6. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

Analysis of the tax charge	2013 £'000	2012 £'000
UK corporation tax at 23.25% (2012: 24.5%)	1,797	2,390
Current tax adjustment in respect of prior periods	165	(7)
<b>Total current tax</b>	<b>1,962</b>	<b>2,383</b>
Current year deferred tax	312	279
Deferred tax adjustment in respect of prior periods	37	(26)
Effect of change in tax rate	94	101
<b>Tax charge on profit on ordinary activities</b>	<b>2,405</b>	<b>2,737</b>

The corporation tax charge for the year is lower than the standard rate of corporation tax in the UK of 23.25% (2012:24.5%) on the accounting profit.

The differences are explained below:	2013 £'000	2012 £'000
Profit on ordinary activities before tax	8,548	10,294
Tax charge on profit at UK rate of 23.25% (2012:24.5%)	1,986	2,522
<b>Effects of:</b>		
Expenses not deductible for tax purposes	123	148
Non-taxable income	-	(1)
Capital allowances in excess of depreciation	(35)	2
Other timing differences	(277)	(281)
Current tax adjustment in respect of prior periods	165	(7)
<b>Total current tax</b>	<b>1,962</b>	<b>2,383</b>

The Finance Act, which was substantively enacted in July 2013, included provisions to reduce the rate of corporation tax to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. As this legislation was substantively enacted by 31 December 2013, the impact of the anticipated rate change is reflected in the tax provisions reported in these accounts.

## NOTES TO THE ACCOUNTS (Continued)

## 7. TANGIBLE FIXED ASSETS

	Computers & equipment £'000	Fixtures & fittings £'000	Leasehold property £'000	Total £'000
<b>Cost</b>				
At 1 January 2013	1,288	261	1,183	2,732
Additions	198	-	-	198
Disposals	(102)	(211)	-	(313)
At 31 December 2013	<b>1,384</b>	<b>50</b>	<b>1,183</b>	<b>2,617</b>
<b>Depreciation</b>				
At 1 January 2013	(1,114)	(240)	(628)	(1,982)
Disposals	101	211	-	312
Charge for the year	(144)	(5)	(94)	(243)
At 31 December 2013	<b>(1,157)</b>	<b>(34)</b>	<b>(722)</b>	<b>(1,913)</b>
<b>Net book value at 31 December 2013</b>	<b>227</b>	<b>16</b>	<b>461</b>	<b>704</b>
Net book value at 31 December 2012	174	21	555	750

## 8. DEBTORS

	2013 £'000	2012 £'000
Trade debtors	1,388	1,284
Amounts due from group undertakings	3,500	3,500
Deferred tax asset	648	1,091
Other debtors and prepayments	1,219	890
	<b>6,755</b>	<b>6,765</b>

## 9. DEFERRED TAX

	2013 £'000	2012 £'000
<b>Deferred tax asset</b>		
Balance at 1 January	1,091	1,445
Deferred tax adjustment in respect of prior periods	(37)	26
Effect of change in tax rate	(94)	(101)
Current year deferred tax	(312)	(279)
<b>Balance at 31 December</b>	<b>648</b>	<b>1,091</b>

## NOTES TO THE ACCOUNTS (Continued)

## 10. CASH AT BANK AND IN HAND

The Company administers a number of trust accounts under agreement between the Company and dentists in accordance with the declaration of trust for each account. The accounts are used to channel cash collected by the Company from patients for onward payment to dentists. No right of set off exists between the trust accounts and any other bank accounts of the Company.

Total balances held in the Trust Accounts at 31 December 2013 amounted to £5,174,578 (2012:£5,495,000) were included at the cash at bank and in hand on the Company's balance sheet.

## 11. CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR

	2013 £'000	2012 £'000
Trade creditors	41	145
VAT payable	206	343
Corporation tax payable	485	2,391
Amounts due to group undertakings	5,738	4,712
Outstanding client funding	5,175	5,495
Accruals and deferred income	8,432	11,262
Tax and other social security	1,310	820
Other creditors	80	80
<b>Creditors</b>	<b>21,467</b>	<b>25,248</b>

## 12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN 1 YEAR

	2013 £'000	2012 £'000
<b>Tax payments due to AXA</b>	<b>300</b>	<b>873</b>

These payments relate to the unwinding of the deferred tax asset over 2012-2015.

## 13. PROVISIONS

	2013 £'000	2012 £'000
At 1 January	1,315	1,316
Charged to profit and loss account	1,451	58
Utilisation of provision	(470)	(59)
<b>At 31 December</b>	<b>2,296</b>	<b>1,315</b>



## NOTES TO THE ACCOUNTS (Continued)

## 13. PROVISIONS (continued)

The provisions represent the best estimates of expenditure required to settle outstanding obligations resulting from past events that exist at the balance sheet date, where a reasonable estimate could be made of the value of the obligation. This includes £1,478,000 (2012: £944,044) for building dilapidations in relation to Denplan Court and Newfrith House.

## 14. CALLED UP SHARE CAPITAL

	2013 Allotted & Fully Paid £	2012 Allotted & Fully Paid £
Share Capital		
Issued:		
3,567,659 (2012: 3,567,659) ordinary shares of £1 each.	3,567,659	3,567,659

## 15. CAPITAL AND RESERVES

## Reconciliation of movements on capital &amp; reserves

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Capital redemption reserve £'000	Capital and Reserves £'000	2012 Capital and Reserves £'000
At 1 January	3,568	550	3,580	250	7,948	391
Profit for the financial year	-	-	6,143	-	6,143	7,557
At 31 December	3,568	550	9,723	250	14,091	7,948

## NOTES TO THE ACCOUNTS (Continued)

## 16. FINANCIAL COMMITMENTS

(a) Capital expenditure	2013 £'000	2012 £'000
Authorised by the Board of Directors but not contracted for up to 31 December	22	6

## (b) Leasing

At 31 December the Group had annual commitments under non-cancellable operating leases for which no provision has been made in the financial statements as follows:

	2013 £'000	2012 £'000
<b>Operating leases which expire:</b>		
Within one year	326	222
Within two to five years	957	396
Within more than five years	50	395
<b>Operating leases</b>	1,333	1,013
<b>Total financial commitments</b>	1,355	1,019

## 17. RELATED PARTY TRANSACTIONS

During this period, Denplan Limited was a wholly owned subsidiary of Simplyhealth Group and hence it has taken advantage of the FRS8 exemption under Simplyhealth Group.

## 18. CASH FLOW STATEMENT

The Company has taken advantage of the exemption by FRS1, "Cashflow Statements", not to prepare a cashflow statement as it is consolidated in the financial statements of its ultimate parent company.

## 19. STAFF PENSION COSTS

The total pension cost which has been charged to the profit and loss account of the Company is £954,009 (2012: £997,667). The outstanding contribution as at 31 December 2013 is £115,561 (2012: £107,474).

## 20. ULTIMATE PARENT AND CONTROLLING PARTY

The Company's immediate and ultimate parent Company is Simplyhealth Group Limited, a Company registered in the United Kingdom and limited by guarantee.

Simplyhealth Group is the parent of the largest and smallest group for which consolidated accounts are prepared of which the Company is a member. The financial statements of this company can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.