

IN PRACTICE SYSTEMS LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014

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**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014**

	Page
Company Information	1
Strategic Report	2 to 3
Report of the Directors	4 to 5
Independent Auditor's Report	6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9 to 16

IN PRACTICE SYSTEMS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2014

DIRECTORS: Mr M R Brighton
Mr P L M Marucchi

SECRETARY: Mrs S Heap

REGISTERED OFFICE: The Bread Factory
1 Broughton Street
London
SW8 3QJ

REGISTERED NUMBER: 01788577

AUDITORS: Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

IN PRACTICE SYSTEMS LIMITED (REGISTERED NUMBER: 01788577)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2014**

The directors present their Strategic report for the year ended 31 December 2014.

REVIEW OF BUSINESS

In Practice Systems Limited ("INPS") provides clinical, practice and patient management systems, known as Vision, to General Practitioners, Clinical Commissioning Groups and Health Boards in the United Kingdom. This is a highly regulated NHS-controlled market with relatively few suppliers and a well-defined target audience of just over 10,000 GP practices. The following factors are therefore key to the company's development:

- maintain the accreditation status of its products;
- grow market share in the UK;
- investment in the development of products and services that meet the changing nature of the NHS;
- achieve these three primary drivers without compromising profit growth.

Competition in the market is very strong and the Directors believe that the introduction of products that directly serve the interests of both GP practices and CCGs, irrespective of whether the core clinical system is supplied by INPS or one of its competitors will be a key growth opportunity for the future. Vision's central patient record, and INPS's web-based solutions for whole health communities directly addresses the most important requirements of all of the various NHS organisations.

Negotiations with the HSCIC for the renewal of the contractual framework that governs which systems GP practices use and how much is paid for those systems were concluded during the year and a new contract signed with effect from 28 March 2014. The four National services that have been introduced into England over the last few years will remain in place and continue to be modified. These are: (1) Choose and Book (renamed the e-Referral Service in 2015) which gives patients that need onward referral from GP's to hospital specialists the opportunity to choose the most appropriate hospital and book an appointment during their consultation with their GP. (2) GP to GP record transfer allows GPs to electronically import patient medical histories from other Practices when a patient moves between Practices. (3) The electronic prescriptions service (EPS) which enables electronic verification and management of prescriptions issued from GP Practices and (4) The Summary Care Record programme that enables summarised patient data to be accessed by emergency care and out-of-hours clinicians securely. INPS has continued to have full accreditation status for all four of these English projects.

Scotland, Wales and Northern Ireland have similar computerised patient benefit programmes with local variations and INPS continue to work closely with the NHS in all of the Home nations to ensure the smooth implementation and continual improvement of their programmes to the many Vision users located there.

INPS's main product suite, Vision was used by almost 2,000 GP Practices in the United Kingdom at the end of 2014 which represented a market share of about 20%. This market share has grown from a low-point of around 1,500 GP practices at the millennium to the current level.

INPS offers practices a choice of either running the Vision application locally on a Practice-based file server or alternatively a cloud service running in resilient remote data centres. About 65% of INPS's customers have elected to take the cloud option in England. In Wales the strategy is to move all GP practices to a cloud-based system and INPS now serves almost all of its customers there from the two Welsh data centres.

The Vision product is primarily aimed at GPs but there is an increasing requirement for wider access to data including the use of these systems by carers working outside of the confines of the GP Practice, such as the out-of-hours service. INPS has made the Vision product accessible to workers in these other areas of Healthcare and the development of Vision 360 is a vital piece in that product strategy. To complement that strategy, INPS formed a joint venture company with one of its competitors, EMIS in 2011 and the venture has proved popular. The product is called the MiG (Medical interoperability Gateway) and allows the NHS to improve the way different parts of the health service exchange documents and information electronically in a secure environment.

INPS has maintained its ISO accreditation status during 2014.

IN PRACTICE SYSTEMS LIMITED (REGISTERED NUMBER: 01788577)

**STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014**

On the financial side, INPS generates turnover from the initial sales and deployment of Vision systems as well as the ongoing support and licensing of these systems. The company provides a complete solution for General Practitioners. This includes the provision of training and IT engineering services. In 2014, the company's turnover was £27.8 million (2013: £32.7 million) The split of that revenue between the company's main activities was:

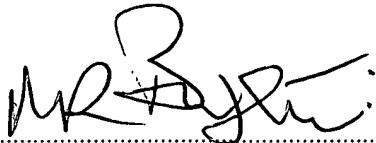
- Licensing and support-	73%	(65%)
- Applications software and hardware-	9%	(11%)
- Training and engineering services	8%	(8%)
- Other (including data centre refresh revenue)	10%	(16%)

Market conditions in 2014 were again difficult for the company as the GPSoC renewal contract introduced many new concepts to the market and local CCGs were making decisions to consolidate their systems to one supplier, not always to the benefit of the company. However, the directors believe that the company's innovative approach to its products and services will stand the company in good stead for the future.

The company's profit before tax, after the write off of intercompany loans, was £2.7 million. In the previous year the comparison was strongly affected by "other income" of £6.2 million from an exceptional out of court settlement. Excluding that anomaly the profit was up from the previous year's profit of £1.7 million. The increase was largely due to much lower operating costs which fell by £1.8 million.

The number of direct employees has increased by just 1 during 2014 (an average month-end count of 296 in 2014 compared to 295 in 2013). The intellectual capital in the staff employed by INPS is its most important asset and the rate of staff turnover continues to be very low.

ON BEHALF OF THE BOARD:



Mr M R Brighton - Director

Date: 1 Sept 2015.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2014**

The directors present their report with the financial statements of the company for the year ended 31st December 2014.

A review of the business including future developments and principal risks and uncertainties are not shown in the Report of the Directors as this information is included within the Strategic report under s414C(11) of the Companies Act 2006.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be developing, selling, servicing and supporting computer systems for the health sector.

DIVIDENDS

During the year, a final dividend of £3,500,000 (2013 - £1,000,000) in respect of the year ended 31 December 2013 and an interim dividend of £nil (2013 - £1,500,000) in respect of the year ended 31 December 2014 were paid.

The directors do not propose that a final dividend be paid in 2015 in respect of the year ended 31 December 2014.

DIRECTORS

The directors of the company at the date of their report and any changes since 1st January 2014 are set out on page 1.

DIRECTORS INDEMNITY

The directors confirm that no qualifying third party indemnity provision in favour of any of the directors of the company, as defined by s234(2) of the Companies Act 2006, either by the company or by any other party, was in force at the time of signing this report, and that no such provision has been in force at any time during the financial year.

EMPLOYMENT OF DISABLED PERSONS

The Company's policy is to give full and fair consideration to application for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development within the group. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

EMPLOYEE INVOLVEMENT

Monthly meetings are held between senior management and employees to discuss matters of concern. Employees are kept well-informed about the progress and position of the Company by means of regular departmental meetings, newsletters and journals.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 accounting 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 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.

REPORT OF THE DIRECTORS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

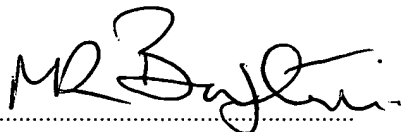
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Mazars LLP will be proposed for re-appointment in accordance with s487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
Mr M R Brighton - Director

Date: 1 Sept 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IN PRACTICE SYSTEMS LIMITED

We have audited the financial statements of In Practice Systems Limited (registered number 01788577) for the year ended 31st December 2014, which comprise the Profit and Loss Account, the Balance Sheet and 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).

Respective responsibilities of directors and auditors

As explained more fully in the statement of Directors' Responsibilities set out on page four, 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. 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.

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 31st December 2014 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 Report of the Directors 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.



Samantha Russell (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date: 18 September 2015

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2014**

	Notes	2014 £'000	2013 £'000
TURNOVER	2	27,826	32,712
Cost of sales		<u>(5,624)</u>	<u>(9,785)</u>
GROSS PROFIT		22,202	22,927
Administrative expenses		<u>(19,603)</u>	<u>(21,407)</u>
OPERATING PROFIT	5	2,599	1,520
Interest receivable and similar income	6	128	130
Other income	7	<u>-</u>	<u>6,191</u>
		2,727	7,841
Interest payable and similar charges	8	<u>(32)</u>	<u>(61)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,695	7,780
Tax on profit on ordinary activities	9	<u>(295)</u>	<u>(1,332)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,400</u>	<u>6,448</u>

CONTINUING OPERATIONS

All activities derive from continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES

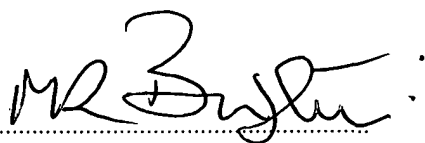
The company has no recognised gains or losses other than the profits for the current year or previous year.

BALANCE SHEET
31ST DECEMBER 2014

		2014		2013	
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	11		1,758		592
Investments	12		<u>46</u>		<u>46</u>
			1,804		638
CURRENT ASSETS					
Stocks	13	710		2,203	
Debtors: amounts falling due within one year	14	15,053		12,794	
Debtors: amounts falling due after more than one year	14	17,553		19,047	
Cash at bank and in hand		<u>967</u>		<u>807</u>	
		34,283		34,851	
CREDITORS					
Amounts falling due within one year	15	<u>(13,306)</u>		<u>(11,608)</u>	
NET CURRENT ASSETS			<u>20,977</u>		<u>23,243</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,781</u>		<u>23,881</u>
CAPITAL AND RESERVES					
Called up share capital	19		14,000		14,000
Share premium	20		2,894		2,894
Profit and loss account	20		<u>5,887</u>		<u>6,987</u>
SHAREHOLDERS' FUNDS	23		<u>22,781</u>		<u>23,881</u>

The financial statements were approved by the Board of Directors on its behalf by:

1 Sept 2015 and were signed on



Mr M R Brighton - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2014**

1. ACCOUNTING POLICIES

Basis of preparation

The directors confirm that after making enquiries, they have reasonable expectations that the company has adequate resources to continue an operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these accounts.

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Preparation of consolidated financial statements

As the company is a wholly owned subsidiary of Cegedim SA, which publishes publicly available consolidated financial statements, it is not required to prepare consolidated financial statements. These accounts present information about the company on an individual basis.

Exemption from preparing a cash flow statement

The company has taken advantage of the exemption contained in FRS1 from preparing a cash flow statement.

Turnover

Turnover represents the amounts invoiced in respect of the sales of products and services to third parties excluding VAT. The sale of products is recognised at the point of a client site installation. Income on support and maintenance contracts is recognised on a straight line basis over the period of the contracts.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	-	the shorter of the lease term and 25 years
Computer equipment	-	3 to 10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Deferred tax

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is recorded as recoverable and therefore recognised only when, on the basis of all evidence available, it can be regarded as more than likely than not that there will be suitable taxable profits from which future reversal of the timing difference can be deducted.

Deferred tax is measured on a non-discounted basis 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 substantially enacted by the balance sheet date.

Development costs

Research and development expenditure written off in the profit and loss account in the year in which it is incurred except development expenditure incurred on individual projects.

Foreign currencies

Transactions denominated in foreign currencies are recorded in sterling at the exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

1. ACCOUNTING POLICIES - continued

Pension costs

The company participates in a defined contribution scheme. The pension cost charge to the profit and loss account represents contributions payable by the company under the rules of the scheme.

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

2. TURNOVER

Turnover is all derived from continuing activities and is entirely based in the United Kingdom. The company has one class of business being the provision of computer systems for the health sector.

3. STAFF COSTS

	2014	2013
	£'000	£'000
Wages and salaries	11,567	11,719
Social security costs	1,279	1,211
Other pension costs	425	358
	<u>13,271</u>	<u>13,288</u>

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

	2014	2013
Sales and marketing	40	40
Training and support	140	139
Software and development	82	82
Administration and central services	34	34
	<u>296</u>	<u>295</u>

4. DIRECTORS' EMOLUMENTS

	2014	2013
	£'000	£'000
Directors' emoluments	230	344
Directors' pension contributions to money purchase schemes	<u>20</u>	<u>18</u>
Highest paid director		
Directors' emoluments	230	344
Directors' pension contributions to money purchase schemes	<u>20</u>	<u>18</u>

There is one director (2013 - one) accruing benefits under money purchase schemes.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

5. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £'000	2013 £'000
Depreciation - owned assets	341	1,608
Auditors' remuneration	36	37
Foreign exchange differences	1	-
Operating lease rentals on assets other than plant and machinery	371	856
Write off of intercompany loan	<u>1,892</u>	<u>1,874</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £'000	2013 £'000
Interest on amounts owed by group undertakings	<u>128</u>	<u>130</u>

7. OTHER INCOME

	2014 £'000	2013 £'000
Settlement of claim	<u>-</u>	<u>6,191</u>

During the previous year the company benefitted from an exceptional out of court settlement on a legal claim against a supplier.

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £'000	2013 £'000
Bank interest	5	47
Loans from other group undertakings repayable on demand	<u>27</u>	<u>14</u>
	<u>32</u>	<u>61</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2014 £'000	2013 £'000
Current tax:		
UK corporation tax	293	1,363
Adjustment in respect of previous periods	<u>(174)</u>	<u>-</u>
Total current tax	119	1,363
Deferred tax (see note 18)	<u>176</u>	<u>(31)</u>
Tax on profit on ordinary activities	<u>295</u>	<u>1,332</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

9. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	<u>2,695</u>	<u>7,780</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%)	579	1,809
Effects of:		
Capital allowances (in excess of)/lower than depreciation	(108)	52
Adjustments to tax charge in respect of previous periods	(174)	-
Movement in short term timing difference	(73)	299
Group relief	<u>(105)</u>	<u>(797)</u>
Current tax charge	<u>119</u>	<u>1,363</u>

Factors that may affect future tax charges

Based upon current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years.

10. DIVIDENDS

	2014 £'000	2013 £'000
Ordinary shares of £1 each:		
2012 final (£0.07 per share)	-	1,000
2013 interim (£0.11 per share)	-	1,500
2013 final (£0.25 per share)	<u>3,500</u>	<u>-</u>
	<u>3,500</u>	<u>2,500</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

11. TANGIBLE FIXED ASSETS

	Short leasehold £'000	Computer equipment £'000	Totals £'000
COST			
At 1st January 2014	1,469	5,297	6,766
Additions	<u>15</u>	<u>1,492</u>	<u>1,507</u>
At 31st December 2014	<u>1,484</u>	<u>6,789</u>	<u>8,273</u>
DEPRECIATION			
At 1st January 2014	1,427	4,747	6,174
Charge for year	<u>29</u>	<u>312</u>	<u>341</u>
At 31st December 2014	<u>1,456</u>	<u>5,059</u>	<u>6,515</u>
NET BOOK VALUE			
At 31st December 2014	<u>28</u>	<u>1,730</u>	<u>1,758</u>
At 31st December 2013	<u>42</u>	<u>550</u>	<u>592</u>

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1st January 2014 and 31st December 2014	<u>808</u>
PROVISIONS	
At 1st January 2014 and 31st December 2014	<u>762</u>
NET BOOK VALUE	
At 31st December 2014	<u>46</u>
At 31st December 2013	<u>46</u>

Interests in group undertakings are as follows:

<u>Name of company</u>	<u>Principal activity</u>	<u>Description of shares</u>	<u>Proportion of shares held</u>
InPS Enterprise Solutions Limited (registered in Scotland)	Development and marketing of computer software	Ordinary	100%
Healthcare Gateway Limited (registered in England)	Development of IT solutions	Ordinary	50%

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

13. STOCKS

	2014	2013
	£'000	£'000
Work-in-progress	-	1,405
Finished goods	710	798
	<u>710</u>	<u>2,203</u>

Stocks are comprised mainly of computer equipment and software held for resale.

The work in progress balance represents costs incurred in advance of installation at all sites in relation to a multi-site sales contract.

In the opinion of the directors, the replacement cost of stocks is not materially different from the book value.

14. DEBTORS

	2014	2013
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	1,815	2,404
Amounts owed by other group undertakings	3,138	5,579
Other debtors	142	94
Deferred tax asset	51	227
Prepayments and accrued income	<u>9,907</u>	<u>4,490</u>
	<u>15,053</u>	<u>12,794</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>17,553</u>	<u>19,047</u>
Aggregate amounts	<u>32,606</u>	<u>31,841</u>

The amounts owed by other group undertakings due after one year of £17,553,064 (2013 - £19,046,714) is owed by Alliadis Europe Limited. The amount is fully repayable on 29th January 2017 and interest is receivable at 3.5%.

All other amounts owed by group undertakings are repayable on demand and interest is receivable at the current Bank of England Base Rate.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£'000	£'000
Bank loans and overdrafts (see note 16)	-	15
Trade creditors	731	1,025
Amounts owed to other group undertakings	3,125	2,875
Corporation tax	361	1,105
Social security and other taxes	1,263	2,080
Other creditors	1,733	-
Accruals and deferred income	5,617	3,837
Advance billings and deposits	<u>476</u>	<u>671</u>
	<u>13,306</u>	<u>11,608</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Amounts owed to group undertakings are repayable on demand and interest is payable at the current Bank of England base Rate.

16. LOANS

An analysis of the maturity of loans is given below:

	2014 £'000	2013 £'000
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>15</u>

17. OPERATING LEASE COMMITMENTS

At 31 December 2014, the commitments to make annual payments under non-cancellable operating leases were:

	Land and buildings	
	2014 £'000	2013 £'000
Expiring:		
Within one year	8	164
Between one and five years	<u>650</u>	<u>590</u>
	<u>658</u>	<u>754</u>

18. DEFERRED TAX

	£'000
Balance at 1st January 2014	(227)
Charge to Profit and Loss Account during year	<u>176</u>
Balance at 31st December 2014	<u>(51)</u>

Analysis of deferred tax asset

	2014 £'000	2013 £'000
Depreciation in excess of capital allowances	18	111
Other timing differences	<u>33</u>	<u>116</u>
	<u>51</u>	<u>227</u>

Deferred tax balances have been calculated at a rate of 20%, which is the reduced rate of UK corporation tax effective from 1 April 2015.

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £'000	2013 £'000
14,000,000	Ordinary	£1	<u>14,000</u>	<u>14,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2014

20. RESERVES

	Profit and loss account £'000	Share premium £'000	Totals £'000
At 1st January 2014	6,987	2,894	9,881
Profit for the year	2,400	-	2,400
Dividends	(3,500)	-	(3,500)
At 31st December 2014	<u>5,887</u>	<u>2,894</u>	<u>8,781</u>

21. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's immediate and ultimate parent company, controlling party and the parent company of the smallest and largest group to include the company in its consolidated financial statements is Cegedim SA, a company registered in France and listed on the Paris stock exchange.

Financial statements of Cegedim SA are available from: 127-137 rue D' Aguesseau, B.P. 405, 92103 Boulogne-Billancourt.

22. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of the group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

Healthcare Gateway Limited

A company in which In Practice Systems Limited has a joint venture

	2014 £'000	2013 £'000
Amount due from related party at the balance sheet date	<u>66</u>	<u>241</u>

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Profit for the financial year	2,400	6,448
Dividends	<u>(3,500)</u>	<u>(2,500)</u>
Net (reduction)/addition to shareholders' funds	(1,100)	3,948
Opening shareholders' funds	<u>23,881</u>	<u>19,933</u>
Closing shareholders' funds	<u>22,781</u>	<u>23,881</u>