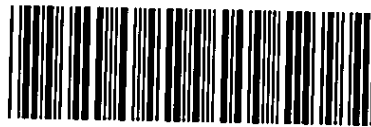


**PMI Health Group Limited**  
**REPORT AND FINANCIAL STATEMENTS**

30 June 2008

Company Registration No. 2660256

THURSDAY



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30/04/2009  
COMPANIES HOUSE

# PMI Health Group Limited

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# PMI Health Group Limited

## DIRECTORS AND ADVISORS

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### DIRECTORS

CP Baldwin  
RDH Munro  
MI Davis  
M Baldwin

### SECRETARY

RDH Munro

### REGISTERED OFFICE

The Courtyard  
Hall Lane  
Wincham  
Cheshire  
CW9 6DG

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

### BANKERS

National Westminster Bank PLC  
23 Stamford New Road  
Altrincham  
Cheshire  
WA14 1DB

### SOLICITORS

Chandler Harris  
25 Byrom Street  
Manchester  
M3 4PF

# PMI Health Group Limited

## DIRECTORS' REPORT

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The Directors submit their report and the financial statements of PMI Health Group Limited for the year ended 30 June 2008.

### PRINCIPAL ACTIVITIES

The group continues to provide a growing range of employee healthcare services, including health related insurance consultancy, related claims management, occupational healthcare, absence management and commercial insurance.

### REVIEW OF BUSINESS

PMI Health Group Limited continues to operate as a Holding Company.

The group continues to successfully provide an employee healthcare service, working closely to assist clients in improving their performance by managing the health of their employees and reducing sickness absence.

The group has invested heavily in the development of services available to our clients during the year. We have further invested in our general insurance team and also continued to develop the absence management services that we offer.

The increase in group sales was in line with expectations. Expenditure was tightly controlled and included investment in expanding our range of services and products.

The group has continued to meet the regulatory requirements set throughout the year.

The directors are satisfied with the group's performance and believe that we continue to be in a strong position to fulfil our client needs and move the group forward.

### KEY PERFORMANCE INDICATORS

The group set key performance indicators against which performance is reviewed.

The key performance indicators cover all aspects of the business and include:

- Work force activity measured against activity targets
- Costs incurred measured against planned costs and analytical review
- Sales measured against planned sales and analytical review
- Customer satisfaction reviews

We are satisfied with our performance when measured against these indicators.

### RISKS AND UNCERTAINTIES

The board and management of the group manage the risks and uncertainties facing the group on a continuous basis. We consider the principal risks and uncertainties to be as follows:

- Changes in legislation in the markets in which we operate
- Political changes which may have an effect on the products and services we provide
- Social perception of the markets in which we operate
- Price fluctuations
- Competition
- Supplier availability
- Staff retention

# PMI Health Group Limited

## DIRECTORS' REPORT (continued)

---

We believe that we have sufficient controls and procedures in place to monitor, control, and react accordingly to the risks and challenges that we face.

### FINANCIAL INSTRUMENTS

The board use management accounts and various financial reports to ensure that the following are reviewed and we are aware of any risk arising in any of the following areas:

**Price** – The board continually monitor the prices we set against those of our competitors. This ensures that we continue to be competitive in the market.

**Credit** - We have robust credit control procedures in place to ensure that all amounts due are paid promptly. We have a dedicated team who use the systems and procedures in place to diligently chase all outstanding monies and ensure that no significant bad debts occur.

**Liquidity** - Due to the nature of the business in which we operate, and also prudent history of management we have minimal risk with regards to liquidity.

**Cash Flow** - With the stringent credit control procedures that we employ and also the tight management of the group, we take the appropriate action to minimise this risk.

### FUTURE DEVELOPMENTS

The group will continue to offer the wide range of services we currently provide to our clients. We will also look to further develop our current product range so that we may evolve along with our customer needs and offer full solutions for their employee healthcare matters.

### RESULTS AND DIVIDENDS

The group trading profit for the year after taxation was £875,692 (2007: £703,460). The directors do not propose a final dividend (2007: £nil) which, after interim dividends paid of £500,000 (2007: £1,004,930) and £11,402 (2007: £255,405) purchase of own shares, leaves a surplus of £364,290 (2007: deficit of £556,875) to be transferred to reserves.

### DIRECTORS

The directors who held office during the year were as follows:

CP Baldwin  
RDH Munro  
MI Davis  
M Baldwin

### POLITICAL AND CHARITABLE DONATIONS

The group made contributions of £4,534 (2007: £4,710) during the year to United Kingdom charitable organisations.

# PMI Health Group Limited

## DIRECTORS' REPORT (continued)

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### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

By order of the board



**RDH Munro**  
Secretary

24 April 2009

# PMI Health Group Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

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 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the company and the group for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent; and
- c. 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 the group and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PMI HEALTH GROUP LIMITED

We have audited the financial statements on pages 8 to 26.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the *Statement of Directors' Responsibilities*.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PMI HEALTH GROUP LIMITED (continued)

**Opinion:**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company and group affairs at 30 June 2008 and of the company and group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*Baker Tilly UK Audit LLP*

**BAKER TILLY UK AUDIT LLP**  
Registered Auditor  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

*29 April* 2009

**PMI Health Group Limited**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
for the year ended 30 June 2008

	Notes	2008 £	2007 £
TURNOVER		7,715,046	7,295,443
Administrative expenses		(6,568,322)	(6,358,367)
<b>OPERATING PROFIT</b>		<b>1,146,724</b>	<b>937,076</b>
Interest receivable and similar income	1	106,291	100,986
Interest payable and similar charges	4	(798)	(2,520)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,252,217</b>	<b>1,035,542</b>
Taxation	6	(376,525)	(332,082)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>875,692</b>	<b>703,460</b>

The operating profit for the year arises from the group's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

**PMI Health Group Limited**  
**COMPANY PROFIT AND LOSS ACCOUNT**  
**for the year ended 30 June 2008**

---

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Administrative expenses	<b>(1,769)</b>	<b>(1,324)</b>
Income from shares in group undertakings	<b>500,000</b>	<b>1,300,000</b>
	<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>498,231</b>	<b>1,298,676</b>
	<hr/> <hr/>	<hr/> <hr/>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

**PMI Health Group Limited**  
**CONSOLIDATED BALANCE SHEET**  
at 30 June 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	8	472,972	426,366
<b>CURRENT ASSETS</b>			
Debtors	10	2,090,903	1,741,690
Cash at bank and in hand		1,723,324	1,605,055
		3,814,227	3,346,745
<b>CREDITORS: Amounts falling due within one year</b>	12	(929,765)	(868,888)
<b>NET CURRENT ASSETS</b>		2,884,462	2,477,857
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,357,434	2,904,223
<b>DEFERRED INCOME</b>		(691,275)	(602,354)
<b>NET ASSETS</b>		2,666,159	2,301,869
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	838,029	839,973
Capital redemption reserve	15	93,025	91,081
Share premium	15	24,451	24,451
Profit and loss account	15	1,710,654	1,346,364
<b>SHAREHOLDERS' FUNDS</b>		2,666,159	2,301,869

The financial statements on pages 8 to 26 were approved by the board of directors and authorised for issue on 24 April 2009 and are signed on its behalf by:

CP Baldwin  
Director



**PMI Health Group Limited**  
**COMPANY BALANCE SHEET**  
at 30 June 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Investments	9	<u>939,108</u>	<u>939,108</u>
<b>CURRENT ASSETS</b>			
Debtors (£20,000 due after more than one year (2007: £20,000))	10	53,086	54,855
CREDITORS: Amounts falling due within one year	12	<u>(11,402)</u>	-
<b>NET CURRENT ASSETS</b>		<u>41,684</u>	<u>54,855</u>
<b>NET ASSETS</b>		<u>980,792</u>	<u>993,963</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	838,029	839,973
Capital redemption reserve	15	93,025	91,081
Share premium	15	24,451	24,451
Profit and loss account	15	25,287	38,458
<b>SHAREHOLDERS' FUNDS</b>		<u>980,792</u>	<u>993,963</u>

The financial statements on pages 8 to 26 were approved by the board of directors and authorised for issue on *24 April* 2009 and are signed on its behalf by:

**CP Baldwin**  
Director



# PMI Health Group Limited

## RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS for the year ended 30 June 2008

	GROUP		COMPANY	
	2008 £	2007 £	2008 £	2007 £
PROFIT FOR THE FINANCIAL YEAR	875,692	703,460	498,231	1,298,676
Dividends	(500,000)	(1,004,930)	(500,000)	(1,004,930)
Purchase of own shares	(11,402)	(255,405)	(11,402)	(255,405)
	<hr/>	<hr/>	<hr/>	<hr/>
NET ADDITION TO/(REDUCTION IN) SHAREHOLDERS' FUNDS	364,290	(556,875)	(13,171)	38,341
Opening shareholders' funds	2,301,869	2,858,744	993,963	955,622
	<hr/>	<hr/>	<hr/>	<hr/>
CLOSING SHAREHOLDERS' FUNDS	2,666,159	2,301,869	980,792	993,963
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**PMI Health Group Limited**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 30 June 2008

	Note	2008		2007	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	18(a)		1,161,288		984,098
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		106,291		100,986	
Interest on hire purchase and finance lease contracts		(798)		(188)	
Other interest		-		(2,332)	
			105,493		98,466
TAXATION					
Corporation tax paid			(396,870)		(227,721)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(266,899)		(179,569)	
Receipts from sale of tangible fixed assets		26,659		45,361	
			(240,240)		(134,208)
DIVIDENDS PAID			(500,000)		(1,004,930)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING			129,671		(284,295)
FINANCING					
Capital repayments of finance leases and hire purchase contracts			-		(4,499)
Purchase of own shares			(11,402)		(255,405)
INCREASE/(DECREASE) IN CASH IN THE YEAR	18(b)		118,269		(544,199)

# PMI Health Group Limited

## CONSOLIDATED CASH FLOW STATEMENT (continued)

for the year ended 30 June 2008

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Note	2008 £	2007 £
Increase/(decrease) in cash in the year		118,269	(544,199)
Cash outflow from lease financing		-	4,499
		<hr/>	<hr/>
Change in net funds arising from cash flows	18(b)	118,269	(539,700)
		<hr/>	<hr/>
MOVEMENT IN NET FUNDS IN YEAR		118,269	(539,700)
NET FUNDS AT START OF YEAR		1,605,055	2,144,755
		<hr/>	<hr/>
NET FUNDS AT END OF YEAR	18(b)	1,723,324	1,605,055
		<hr/> <hr/>	<hr/> <hr/>



# PMI Health Group Limited

## ACCOUNTING POLICIES

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The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

### BASIS OF ACCOUNTING

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

### BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of PMI Health Group Limited and all its subsidiary undertakings. These financial statements are made up to 30 June 2008.

The consolidated financial statements are based on financial statements of subsidiary undertakings which have coterminous year ends.

### RELATED PARTY TRANSACTIONS

The company has, in accordance with FRS 8, taken advantage of the exemption from reporting the transactions between the company and certain of its related parties and has therefore not disclosed transactions or balances with entities which form part of the PMI Health Group Limited group.

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Computer equipment	- 25% straight line
Motor vehicles	- 20% straight line
Fixtures, fittings and office equipment	- 25% straight line

### 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. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### LEASED ASSETS AND OBLIGATIONS

All leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

### RETIREMENT BENEFITS

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

# PMI Health Group Limited

## ACCOUNTING POLICIES (continued)

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### INSURANCE CREDITORS AND CASH

The group acts as agent in broking the insurable risks of clients and normally is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationship with clients and underwriters, the group has followed generally accepted accounting practice for insurance brokers by showing creditors and cash balances relating to its insurance business as assets and liabilities of the group itself unless net settlement can be secured beyond doubt. This complies with the reporting requirements under FRS 5 where assets and liabilities may not be offset unless net settlement is legally enforceable.

### TURNOVER

Turnover for the subsidiary Private Medicine Intermediaries Limited represents commission and fees earned via insurance premium contracts. All commission and fee income is recognised at the date the policy commences.

For the subsidiary Corporate Medical Management Limited turnover is recognised evenly over the life of a contract to ensure that the revenue recognised fairly matches the costs incurred in servicing those contracts and is stated net of value added tax. Income received in advance is disclosed as deferred income on the balance sheet.

All turnover and pre-tax profits are derived entirely from operations within the United Kingdom.

**PMI Health Group Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2008

1	OPERATING PROFIT	GROUP		COMPANY	
		2008 £	2007 £	2008 £	2007
	Operating profit is stated after charging:				
	Auditors' remuneration – audit services	16,850	16,085	1,035	1,278
	Operating leases – land and buildings	148,901	140,000	-	-
	Depreciation of owned assets	190,359	193,735	-	-
	Loss on sale of tangible fixed assets	3,275	14,435	-	-
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
2	DIRECTORS' REMUNERATION			GROUP	
				2008 £	2007 £
	Emoluments			165,998	152,356
	Emoluments paid to third parties			296,453	246,396
	Pension fund contributions			15,821	15,469
				<u>          </u>	<u>          </u>
				478,272	414,221
				<u>          </u>	<u>          </u>
				GROUP	
				2008 Number	2007 Number
	Members of defined contribution pension scheme			1	2
				<u>          </u>	<u>          </u>
				GROUP	
				2008 £	2007 £
	Highest paid director:				
	Emoluments			165,998	152,356
	Pension fund contributions			15,821	15,469
				<u>          </u>	<u>          </u>
				181,819	167,825
				<u>          </u>	<u>          </u>
	COMPANY				

There were no directors' emoluments paid by the company (2007: £nil).

**PMI Health Group Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2008**

3	STAFF COSTS	GROUP	
		2008	2007
		£	£
	Aggregate staff costs were as follows:		
	Wages and salaries	3,558,137	3,543,685
	Social security costs	401,223	385,950
	Other pension costs	189,827	163,961
		<u>4,149,187</u>	<u>4,093,596</u>

Included in wages and salaries are redundancy and termination costs of £nil (2007: £45,000).

**COMPANY**

There were no staff costs incurred by the company.

The monthly average number of persons employed by the group and company (including directors) during the year was as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
	Number	Number	Number	Number
Management and administration	89	89	4	3
Sales staff	21	23	-	-
Medical staff	14	15	-	-
	<u>124</u>	<u>127</u>	<u>4</u>	<u>3</u>

4	INTEREST RECEIVABLE AND SIMILAR INCOME	GROUP	
		2008	2007
		£	£
	Bank interest	<u>106,291</u>	<u>100,986</u>

5	INTEREST PAYABLE AND SIMILAR CHARGES	GROUP	
		2008	2007
		£	£
	Hire purchase and finance lease contracts	798	188
	Other interest payable	-	2,332
		<u>798</u>	<u>2,520</u>

**PMI Health Group Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2008

6 TAXATION	GROUP	
	2008 £	2007 £
Current tax:		
UK corporation tax on profits for the year	378,444	343,420
Adjustments in respect of previous years	(8,423)	-
	<hr/>	<hr/>
Total current tax (see below)	370,021	343,420
	<hr/>	<hr/>
Deferred taxation:		
Origination and reversal of timing differences	6,504	(11,338)
	<hr/>	<hr/>
Total deferred tax	6,504	(11,338)
	<hr/>	<hr/>
Tax on profit on ordinary activities	376,525	332,082
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting tax charge for year:	GROUP	
	2008 £	2007 £
The tax assessed for the period is higher than (2007: higher than) the standard rate of corporation tax in the UK 29.5% (2007: 30%). The differences are explained below:		
Profit on ordinary activities before tax	1,252,217	1,035,542
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 29.5% (2007: 30%)	369,404	310,663
Effects of:		
Expenses not deductible for tax purposes	18,264	22,482
Capital allowances (in excess of)/less than depreciation	(4,491)	11,530
Short term timing differences	154	(223)
Adjustments in respect of previous years	(8,423)	-
Other differences	(4,887)	(1,032)
	<hr/>	<hr/>
Tax charge for year	370,021	343,420
	<hr/> <hr/>	<hr/> <hr/>

**COMPANY**

There is no tax payable by the company.

**PMI Health Group Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2008

7	DIVIDENDS	GROUP AND COMPANY	
		2008	2007
		£	£
	Equity dividends:		
	Interim paid	500,000	1,004,930

8 TANGIBLE FIXED ASSETS

GROUP	Computer equipment	Motor vehicles	Fixtures, fittings and equipment	Total
	£	£	£	£
<i>Cost</i>				
At beginning of year	905,196	312,869	374,626	1,592,691
Additions	86,830	78,116	101,953	266,899
Disposals	(66,217)	(55,884)	(42,094)	(164,195)
	<u>925,809</u>	<u>335,101</u>	<u>434,485</u>	<u>1,695,395</u>
<i>Depreciation</i>				
At beginning of year	769,414	74,243	322,668	1,166,325
Charged in the year	80,660	71,924	37,775	190,359
Disposals	(65,339)	(30,298)	(38,624)	(134,261)
	<u>784,735</u>	<u>115,869</u>	<u>321,819</u>	<u>1,222,423</u>
<i>Net book value</i>				
At 30 June 2008	<u>141,074</u>	<u>219,232</u>	<u>112,666</u>	<u>472,972</u>
At 30 June 2007	<u>135,782</u>	<u>238,626</u>	<u>51,958</u>	<u>426,366</u>

**PMI Health Group Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2008**

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**9 INVESTMENTS**

**COMPANY**

Investments in subsidiary undertakings	£
Cost:	
At 1 July 2007 and 30 June 2008	939,108

**Subsidiary undertakings (both included in the consolidation)**

<i>Name of company</i>	<i>Shareholding</i>	<i>Activity</i>
Private Medicine Intermediaries Limited	100%	Medical insurance broker
Corporate Medical Management Limited	100%	Medical screening and managing medical insurance contracts

The subsidiary companies are registered in England and Wales.

**10 DEBTORS**

	GROUP		COMPANY	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors	1,837,768	1,442,916	-	-
Amounts due from subsidiary company	-	-	53,086	54,855
Deferred taxation (see note 13)	30,031	36,535	-	-
Prepayments and accrued income	223,104	212,239	-	-
Other debtors	-	50,000	-	-
	2,090,903	1,741,690	53,086	54,855
	2,090,903	1,741,690	53,086	54,855

An amount of £20,000 (2007: £20,000) due from Corporate Medical Management Limited is due after more than one year.

**11 INSURANCE MONIES HELD**

The company holds monies on behalf of it's clients in statutory trust accounts in respect of insurance premiums of £427,984 (2007: £825,215).

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**12 CREDITORS: Amounts falling due within one year**

	GROUP		COMPANY	
	2008 £	2007 £	2008 £	2007 £
Amounts owed to parent undertaking	48,193	31,733	-	-
Trade creditors	31,902	48,262	-	-
Corporation tax	217,158	244,007	-	-
Other taxes and social security costs	129,947	130,938	-	-
Accruals and other creditors	502,565	413,948	11,402	-
	<u>929,765</u>	<u>868,888</u>	<u>11,402</u>	<u>-</u>

**13 DEFERRED TAXATION**

Deferred tax asset

At beginning of year  
 Credit for the year

**At end of year**

GROUP  
 £

(36,535)  
 6,504

(30,031)

The elements of deferred taxation are as follows:

	GROUP	
	2008 £	2007 £
Difference between accumulated depreciation and amortisation and capital allowances	(25,619)	(31,963)
Other timing differences	(4,412)	(4,572)
Deferred tax asset	<u>(30,031)</u>	<u>(36,535)</u>



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14	SHARE CAPITAL	2008 £	2007 £
	Authorised:		
	Equity: 250,000 'A' ordinary shares of £0.02 each	5,000	5,000
	Equity: 1,000,000 'B' ordinary shares of £1 each	1,000,000	1,000,000
	Equity: 200,000 'C' ordinary shares of £1 each	200,000	200,000
		<u>1,205,000</u>	<u>1,205,000</u>
		2008 £	2007 £
	Allotted, called up and fully paid:		
	Equity: 2,550 'A' ordinary shares of £0.02 each	51	51
	Equity: 637,978 'B' ordinary shares of £1 each (2007: 639,922 'B' ordinary shares of £1 each)	637,978	639,922
	Equity: 200,000 'C' ordinary shares of £1 each	200,000	200,000
		<u>838,029</u>	<u>839,973</u>

In accordance with the company's Articles, the 'A' shares attract voting rights but have no rights to a distribution, either in the form of dividends or repayment of capital. The 'B' shares and 'C' shares have no voting rights but qualify for all dividends declared and any repayment of capital.

During the year the company repurchased 1,944 'B' ordinary shares of nominal value £1 each for a total consideration of £11,402.

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15 RESERVES	Capital redemption reserve £	Share premium £	Profit and loss account £
<b>GROUP</b>			
Balance at beginning of year	91,081	24,451	1,346,364
Profit for the year	-	-	875,692
Purchase of own shares	1,944	-	(11,402)
Dividend	-	-	(500,000)
<b>Balance at end of year</b>	<b>93,025</b>	<b>24,451</b>	<b>1,710,654</b>
<b>COMPANY</b>			
Balance at beginning of year	91,081	24,451	38,458
Profit for the year	-	-	498,231
Purchase of own shares	1,944	-	(11,402)
Dividend	-	-	(500,000)
<b>Balance at end of year</b>	<b>93,025</b>	<b>24,451</b>	<b>25,287</b>

16 PENSION COMMITMENTS

The group pays pension contributions to personal pensions of selected employees. The personal pensions are arranged with an insurance company separate to the business. The group also has a defined contribution pension scheme called the PMI Limited Group Personal Pension Scheme, which was established in 2005. Contributions outstanding at the year end totalled £15,759 (2007: £15,241).

17 COMMITMENTS UNDER OPERATING LEASES

At the year end the group had annual commitments under non-cancellable operating leases as follows:

	2008 £	2007 £
Land and buildings: expiring over five years	<b>157,800</b>	140,000

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18 CASH FLOW WORKINGS

a	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2008 £	2007 £
	Operating profit	1,146,724	937,076
	Depreciation	190,359	193,735
	Loss on disposal of tangible fixed assets	3,275	14,435
	Increase in debtors	(355,717)	(142,152)
	Increase in creditors	87,726	27,859
	Increase/(decrease) in deferred income	88,921	(46,855)
		<hr/>	<hr/>
	Net cash inflow from operating activities	<u>1,161,288</u>	<u>984,098</u>

b ANALYSIS OF NET FUNDS

	At 1 July 2007 £	Cash Flow £	At 30 June 2008 £
Cash at bank and in hand	1,605,055	118,269	<u>1,723,324</u>

19 CONTINGENT LIABILITIES

All group companies are members of a VAT group together with the following companies which are all under the common control of Mr CP Baldwin:

- Baldwin Landscaping Limited
- Baldwin Enterprises Limited
- Baldwin Investments Limited
- Baldwin Estates Limited
- Argosy Systems Limited

At 30 June 2008 the VAT liability of the VAT group excluding that of the company was £30,296 (2007: £36,249).

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20 RELATED PARTY TRANSACTIONS

*CP Baldwin Pension Trust*

The group rented certain properties from CP Baldwin's pension trust, rental for the year amounted to £148,901 (2007: £140,000).

The following debtor balances existed at the year end:

	2008	2007
	£	£
CP Baldwin Pension Trust	39,450	70,000
	<u>          </u>	<u>          </u>

*Hurlstone Management Limited*

Mr MI Davis is a director and controlling shareholder of Hurlstone Management Limited.

During the year Private Medicine Intermediaries Limited transacted with Hurlstone Management Limited. The nature of the trading activities and the relative values were as follows:

	2008	2007
	£	£
Purchases:		
Professional and advisory services	46,247	54,839
	<u>          </u>	<u>          </u>

At the year end there is an accrual of £32,344 (2007: £13,000) owing by Private Medicine Intermediaries Limited.

*Absence Manager*

The ultimate parent company of Private Medicine Intermediaries Limited owns 28.5% of Absence Manager (IPR) Limited which in turn owns 100% of Absence Manager Limited.

Private Medicine Intermediaries Limited received £37,000 of commission from Absence Management Limited in relation to sales of their products and incurred £10,192 of recharges from Absence Manager Limited. All balances had been paid in full at the year end.

All transactions are at a commercial arms length basis.

21 PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The company's ultimate parent company is Baldwin Ventures Limited, a company incorporated in the United Kingdom.

The directors are of the opinion that Mr CP Baldwin is the ultimate controlling party.