

PMI Health Group Limited

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

Company Registration No. 02660256

TUESDAY

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PMI Health Group Limited

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PMI Health Group Limited

DIRECTORS AND ADVISORS

DIRECTORS

CP Baldwin
RDH Munro
MI Davis
M Baldwin

SECRETARY

RDH Munro

REGISTERED OFFICE

The Courtyard
Hall Lane
Wincham
Cheshire
CW9 6DG

AUDITOR

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

BANKER

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

SOLICITOR

Chandler Harris
25 Byrom Street
Manchester
M3 4PF

PMI Health Group Limited

STRATEGIC REPORT

The directors have pleasure in submitting their Strategic Report for PMI Health Group Limited for the year ended 30 June 2014. This report is a new legal requirement following its introduction in August 2013 by way of amendment to the Companies Act 2006.

REVIEW OF BUSINESS

The group reported an increase in turnover of 5.8% during the year. Expenditure, was tightly controlled and remained consistent with the prior year.

Operating profit increased by £521,944 to £2,046,913 from the prior year and the directors are satisfied with the group's performance.

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

RISKS AND UNCERTAINTIES

The board and management of the group manage the risks and uncertainties facing the group on a continual basis. We consider the principal risks and uncertainties to be areas affecting FCA regulations and political changes which may have an effect on the products and services we provide together with fluctuations in the market, supplier availability in respect of insurance companies and retention of certain key staff.

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 and monitor these risks at board meetings and in the group's risk register.

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, supported by our stringent credit control procedures that we employ and also the tight management of the group cashflow. 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.

By order of the board



RDH Munro
Director

30 March 2015

PMI Health Group Limited

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of PMI Health Group Limited for the year ended 30 June 2014.

The directors have not disclosed the following sections of the director's report "Business review, financial instruments and risks and uncertainties" as these have been included within the Strategic Report on page 2.

PRINCIPAL ACTIVITIES

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

PMI Health Group Limited continues to operate as a holding company.

RESULTS AND DIVIDENDS

The group profit for the year after taxation was £1,668,120 (2013: £1,140,555). During the year dividends were paid of £967,712 (2013: £500,000) leaving a profit of £700,408 (2013: £640,555) to be retained in reserves.

DIRECTORS

The following directors have held office since 1 July 2013:

CP Baldwin
RDH Munro
MI Davis
M Baldwin

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is 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.

AUDITOR

Baker Tilly UK Audit LLP, Chartered Accountants, were appointed auditors by the directors of the company. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and therefore Baker Tilly UK Audit LLP will continue in office.

By order of the board:



RDH Munro
Director

30 March 2015

PMI Health Group Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 group and the company and of the profit or loss of 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 accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PMI HEALTH GROUP LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 6 to 24. 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 more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://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 group's and parent company's affairs as at 30 June 2014 and of the group's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Baker Tilly UK Audit LLP

ANNE LAKIN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Festival Way

Stoke-on-Trent

Staffordshire

ST1 5BB

31 March 2015

PMI Health Group Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2014

	Note	2014 £	2013 £
TURNOVER		10,780,170	10,192,269
Administrative expenses		(8,733,257)	(8,667,300)
OPERATING PROFIT		2,046,913	1,524,969
Interest receivable and similar income	4	9,287	11,819
Interest payable and similar charges	5	(1,861)	(870)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1-5	2,054,339	1,535,918
Taxation	6	(386,219)	(395,363)
PROFIT FOR THE FINANCIAL YEAR	16	1,668,120	1,140,555

The turnover and 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
CONSOLIDATED BALANCE SHEET
at 30 June 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Intangible assets	8	24,072	-
Tangible assets	9	990,677	1,040,564
		<u>1,014,749</u>	<u>1,040,564</u>
CURRENT ASSETS			
Debtors	11	3,373,180	3,169,833
Cash at bank and in hand		3,015,377	2,624,307
		<u>6,388,557</u>	<u>5,794,140</u>
CREDITORS: Amounts falling due within one year	13	(1,168,132)	(1,321,104)
		<u>5,220,425</u>	<u>4,473,036</u>
NET CURRENT ASSETS			
		<u>6,235,174</u>	<u>5,513,600</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
PROVISION FOR LIABILITIES	14	-	(7,869)
DEFERRED INCOME		(750,277)	(721,242)
		<u>5,484,897</u>	<u>4,784,489</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	15	838,029	838,029
Share premium	16	24,451	24,451
Capital redemption reserve	16	93,025	93,025
Profit and loss account	16	4,529,392	3,828,984
		<u>5,484,897</u>	<u>4,784,489</u>
SHAREHOLDERS' FUNDS			

The financial statements on pages 6 to 24 were approved by the board of directors and authorised for issue on 30 March 2015 and are signed on its behalf by:


RDH Munro
Director

Company Registration No. 02660256

PMI Health Group Limited

COMPANY BALANCE SHEET

at 30 June 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Investments	10	939,108	939,108
CURRENT ASSETS			
Debtors	11	86,342	76,343
Cash at bank and in hand		1,380,774	60,389
NET CURRENT ASSETS		<u>1,467,116</u>	<u>136,732</u>
NET ASSETS		<u>2,406,224</u>	<u>1,075,840</u>
CAPITAL AND RESERVES			
Called up share capital	15	838,029	838,029
Share premium	16	24,451	24,451
Capital redemption reserve	16	93,025	93,025
Profit and loss account	16	1,450,719	120,335
SHAREHOLDERS' FUNDS		<u>2,406,224</u>	<u>1,075,840</u>

The financial statements on pages 6 to 24 were approved by the board of directors and authorised for issue on 30 March 2015 and are signed on its behalf by:



RDH Munro
Director

PMI Health Group Limited

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS for the year ended 30 June 2014

	Note	GROUP		COMPANY	
		2014 £	2013 £	2014 £	2013 £
PROFIT FOR THE FINANCIAL YEAR		1,668,120	1,140,555	2,298,096	496,813
Dividends	7	(967,712)	(500,000)	(967,712)	(500,000)
NET ADDITION TO/(REDUCTION IN) SHAREHOLDERS' FUNDS		700,408	640,555	1,330,384	(3,187)
Opening shareholders' funds		4,784,489	4,143,934	1,075,840	1,079,027
CLOSING SHAREHOLDERS' FUNDS		5,484,897	4,784,489	2,406,224	1,075,840

PMI Health Group Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2014

	Note	2014		2013	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	20(a)		2,235,374		2,409,880
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		9,287		11,819	
Interest paid		(1,861)		(870)	
Net cash inflow for returns on investment and servicing of finance			7,426		10,949
TAXATION					
Corporation tax paid			(497,878)		(336,673)
CAPITAL EXPENDITURE					
Payments to acquire intangible fixed assets		(30,089)		-	
Payments to acquire tangible fixed assets		(459,614)		(659,941)	
Receipts from sale of tangible fixed assets		103,563		43,460	
Net cash outflow for capital expenditure			(386,140)		(616,481)
EQUITY DIVIDENDS PAID	7		(967,712)		(500,000)
INCREASE IN CASH IN THE YEAR	20(b)		391,070		967,675

PMI Health Group Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2014

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	Note	2014 £	2013 £
Increase in cash in the year		<u>391,070</u>	<u>967,675</u>
MOVEMENT IN NET FUNDS IN YEAR		391,070	967,675
NET FUNDS AT BEGINNING OF YEAR		<u>2,624,307</u>	<u>1,656,632</u>
NET FUNDS AT END OF YEAR	20(b)	<u>3,015,377</u>	<u>2,624,307</u>

PMI Health Group Limited

ACCOUNTING POLICIES

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 United Kingdom accounting standards.

GOING CONCERN

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic and Directors' reports. The directors consider that the financial position of the group is positive with cash at the bank and a strong balance sheet. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors believe that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of PMI Health Group Limited and all of its subsidiary undertakings. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised as purchased goodwill and amortised through the profit and loss account over its estimated economic life. Provision is made for any impairment. These financial statements are made up to 30 June 2014.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

As permitted by section 408 of the Companies Act 2006 the company has not presented its own profit and loss account.

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 and are 100% controlled.

INTANGIBLE FIXED ASSETS

Expenditure on licences is capitalised at cost and written off over 5 years.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost net of depreciation and any provision for impairment. 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 equipment	- 25% straight line

PMI Health Group Limited

ACCOUNTING POLICIES

DEFERRED TAXATION

Deferred tax is recognised in respect of 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 that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised 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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are recognised to the extent that they are expected to be recovered in the foreseeable future.

INVESTMENTS

Fixed asset investments are stated at cost. Provision is made for any impairment in the value of fixed asset investments.

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.

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. Commission and fee income is recognised at the date the policy commences. Any subsequent adjustments to policy income are recognised when confirmed.

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. Deferred income presentation is different from that prescribed by the Companies Act 2006 'Accruals and deferred income' as the composition of these balances is such that a true and fair view of the position is presented.

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

CASH

Cash for the purpose of the cashflow statements comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand.

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014	2013
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Operating leases – land and buildings	157,902	157,800
Depreciation of owned assets	403,031	328,112
Amortisation of intangible assets	6,017	-
Loss/(profit) on sale of tangible fixed assets	2,907	(7,485)
Audit services:		
- Statutory audit of parent and consolidation	1,310	1,110
- Statutory audit of subsidiary companies	17,890	17,440
Other services relating to taxation		
- Compliance services	5,350	5,350
- Advisory Services	950	-
	=====	=====

2 DIRECTORS' REMUNERATION

	2014	2013
	£	£
Emoluments	197,926	172,021
Sums paid to third parties for directors' services	359,206	295,857
Pension fund contributions	16,262	15,943
	=====	=====
	573,394	483,821
	=====	=====

	2014	2013
	Number	Number
The number of directors to whom retirement benefits are accruing under:		
Defined contribution pension schemes	1	1
	=====	=====

	2014	2013
	£	£
Highest paid director:		
Emoluments	287,448	232,068
	=====	=====

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

3	STAFF COSTS	2014 £	2013 £
	Aggregate staff costs were as follows:		
	Wages and salaries	4,822,394	4,865,010
	Social security costs	512,642	507,947
	Other pension costs	338,589	368,440
		5,673,625	5,741,397
		5,673,625	5,741,397

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

	2014 Number	2013 Number
Management and administration	91	99
Sales staff	28	25
Medical staff	21	19
	140	143
	140	143

4	INTEREST RECEIVABLE AND SIMILAR INCOME	2014 £	2013 £
	Bank interest	9,287	11,819
		9,287	11,819
		9,287	11,819

5	INTEREST PAYABLE AND SIMILAR CHARGES	2014 £	2013 £
	Interest payable on corporation tax	1,861	870
		1,861	870
		1,861	870

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

6 TAXATION	2014	2013
	£	£
Current tax:		
UK corporation tax on profits for the year	477,638	367,896
Adjustments in respect of previous years	(79,873)	3,796
	<u>397,765</u>	<u>371,692</u>
Total current tax (see below)		
Deferred taxation:		
Origination and reversal of timing differences	(10,521)	19,350
Adjustment in respect of previous year	(1,025)	4,321
	<u>(11,546)</u>	<u>23,671</u>
Total deferred tax		
Tax on profit on ordinary activities	<u>386,219</u>	<u>395,363</u>
Factors affecting tax charge for year:	2014	2013
	£	£
The tax assessed for the period is lower than (2013: higher) than the average standard rate of corporation tax in the UK 22.5% (2013: 23.75%). The differences are explained below:		
Profit on ordinary activities before tax	2,054,339	1,535,918
Profit on ordinary activities multiplied by the average standard rate of corporation tax in the UK 22.5% (2013: 23.75%)	<u>462,226</u>	<u>364,781</u>
Effects of:		
Expenses not deductible for tax purposes	23,939	14,402
Fixed asset timing differences	(3,760)	(11,173)
Adjustments in respect of previous years	(79,873)	3,796
Other differences	13,267	(59)
Small companies rate relief	(845)	-
Capital in revenue	(5,785)	(55)
Research and development	(11,404)	-
	<u>397,765</u>	<u>371,692</u>
Tax charge for year		

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

7 DIVIDENDS

	2014	2013
	£	£
'B' ordinary shares *	667,712	350,000
'C' ordinary shares **	300,000	150,000
	967,712	500,000

* Dividend per share £1.05 (2013: £0.55)

** Dividend per share £1.50 (2013: £0.75)

8 INTANGIBLE FIXED ASSETS

	Licences £
<i>Cost</i>	
At beginning of year	-
Additions	30,089
At end of year	30,089
<i>Amortisation</i>	
At beginning of year	-
Charged in the year	6,017
At end of year	6,017
<i>Net book value</i>	
At 30 June 2014	24,072
At 30 June 2013	-

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

9 TANGIBLE FIXED ASSETS

GROUP	Computer equipment	Motor vehicles	Fixtures, fittings and equipment	Total
	£	£	£	£
<i>Cost</i>				
At beginning of year	1,619,619	579,919	571,035	2,770,573
Additions	264,484	154,199	40,931	459,614
Disposals	(5,981)	(239,355)	(9,575)	(254,911)
At end of year	1,878,122	494,763	602,391	2,975,276
<i>Depreciation</i>				
At beginning of year	1,056,471	202,557	470,981	1,730,009
Charge for year	257,397	105,949	39,685	403,031
Disposals	(5,489)	(133,717)	(9,235)	(148,441)
At end of year	1,308,379	174,789	501,431	1,984,599
<i>Net book value</i>				
At 30 June 2014	569,743	319,974	100,960	990,677
At 30 June 2013	563,148	377,362	100,054	1,040,564

10 INVESTMENTS

COMPANY

Investments in subsidiary undertakings

Cost and net book value:
 At beginning and end of year £
939,108

Subsidiary undertakings

<i>Name of company</i>	<i>Class of holding</i>	<i>Proportion directly held</i>	<i>Activity</i>
Private Medicine Intermediaries Limited	Ordinary	100%	Private medical insurance broker
Corporate Medical Management Limited	Ordinary	100%	Private medical screening and managing medical insurance contracts

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

11 DEBTORS	GROUP		COMPANY	
	2014	2013	2014	2013
	£	£	£	£
<i>Due within one year:</i>				
Trade debtors	3,099,147	2,855,702	-	-
Amounts due from group undertakings	-	-	71,342	76,343
Other debtors	29,794	14,839	15,000	-
Prepayments and accrued income	240,562	299,292	-	-
Deferred tax asset (see note 14)	3,677	-	-	-
	<u>3,373,180</u>	<u>3,169,833</u>	<u>86,342</u>	<u>76,343</u>

12 INSURANCE MONIES HELD

The group holds monies on behalf of its clients in statutory trust accounts in respect of insurance premiums of £338,574 (2013: £355,709) which are not included in the cash balances at the year end.

13 CREDITORS: Amounts falling due within one year

	GROUP		COMPANY	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	189,483	227,944	-	-
Corporation tax	70,913	171,026	-	-
Other taxes and social security costs	138,881	155,233	-	-
Amounts owed to group undertaking	31,823	39,944	-	-
Accruals	737,032	726,957	-	-
	<u>1,168,132</u>	<u>1,321,104</u>	<u>-</u>	<u>-</u>

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

14 PROVISION FOR LIABILITIES

	GROUP £
<i>Deferred taxation</i>	
Liability at beginning of year	7,869
Credit for the year	(11,546)
Asset at end of year	(3,677)

The elements of deferred taxation and amounts not provided are as follows:

	Provided 2014 £	Unprovided 2014 £	Provided 2013 £	Unprovided 2013 £
Difference between accumulated depreciation and capital allowances	10,866	(2,985)	11,082	(5,828)
Other timing differences	(14,543)	(2,271)	(3,213)	(2,436)
Deferred tax (asset)/liability	(3,677)	(5,256)	7,869	(8,264)

There is no provided or unprovided deferred tax in respect of the company.

15 SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid:		
2,550 'A' ordinary shares of £0.02 each	51	51
637,978 'B' ordinary shares of £1 each	637,978	637,978
200,000 'C' ordinary shares of £1 each	200,000	200,000
	838,029	838,029

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.

On 30 November 2014 the company adopted new Articles of Association. The company allotted, called up and fully paid 6,505 'D' ordinary shares of £1 each, 2,000 'E' ordinary shares of £1 each, 2,500 'F' ordinary shares of £1 each and 3,000 'G' ordinary shares of £1 each. The amended Articles allow the 'A' shares to a right to a distribution, either in the form of dividends or repayment to capital.

The 'A' shares have voting rights of one vote per each share. The 'B', 'C', 'D', 'E', 'F' and 'G' shareholders each have a vote for each 50 shares.

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

16 RESERVES	Capital redemption reserve £	Share premium £	Profit and loss account £
GROUP			
At beginning of year	93,025	24,451	3,828,984
Profit for the year	-	-	1,668,120
Dividends	-	-	(967,712)
At end of year	93,025	24,451	4,529,392
COMPANY			
At beginning of year	93,025	24,451	120,335
Profit for the year	-	-	2,298,096
Dividends	-	-	(967,712)
At end of year	93,025	24,451	1,450,719

17 PROFIT ATTRIBUTABLE TO THE MEMBERS OF THE PARENT COMPANY

The profit for the financial year before dividends dealt with in the accounts of the parent company, PMI Health Group Limited, was £2,298,096 (2013: £496,813).

18 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 2004. The pension cost charge represents contributions payable by the Group amounted to £338,589 (2013: £368,440). Contributions outstanding at the year end totalled £24,241 (2013: £24,563).

19 COMMITMENTS UNDER OPERATING LEASES

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

	2014 £	2013 £
Land and buildings: expiring after five years	157,800	157,800

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

20 CASH FLOW WORKINGS

a	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2014	2013
		£	£
	Operating profit	2,046,913	1,524,969
	Depreciation	403,031	328,112
	Amortisation	6,017	-
	Loss/(profit) on disposal of tangible fixed assets	2,907	(7,485)
	(Increase)/decrease in debtors	(199,670)	536,293
	(Decrease)/increase in creditors	(52,859)	54,920
	Increase/(decrease) in deferred income	29,035	(26,929)
		<hr/>	<hr/>
	Net cash inflow from operating activities	2,235,374	2,409,880
		<hr/> <hr/>	<hr/> <hr/>

b ANALYSIS OF NET FUNDS

	At beginning of year £	Cash Flow £	At end of year £
Cash at bank and in hand	2,624,307	391,070	3,015,377
	<hr/>	<hr/>	<hr/>

21 CONTINGENT LIABILITIES

All group companies are members of a VAT group together with the following companies which are all under the common control of Baldwin Ventures Limited.

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

At 30 June 2014 the VAT liability of the VAT group excluding that of the company was £96,910 (2013: £17,871).

The bank holds a debenture against the two subsidiaries incorporating a fixed and floating charge over the current and future assets of these subsidiaries.

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

22 RELATED PARTY TRANSACTIONS

CP Baldwin Pension Trust

The group rented certain properties from CP Baldwin's pension trust, rental for the year amounted to £157,800 (2013: £157,800).

The following creditor balances existed at the year end:

	2014	2013
	£	£
CP Baldwin Pension Trust	8,900	8,900

Baldwin Ventures Limited

During the year the group was recharged expenses aggregating to £251,983 (2013: £225,240) from Baldwin Ventures Limited, parent company of PMI Health Group Limited. At the year end there is a balance owing to Baldwin Ventures Limited of £31,823 (2013: £39,944).

Baldwin Landscaping Limited

Mr CP Baldwin is a director and controlling shareholder of Baldwin Landscaping Limited.

During the year the group transacted with Baldwin Landscaping Limited. The nature of the trading activities and the relative values were as follows:

	2014	2013
	£	£
Gardening services	4,145	3,020

At the year end there is a creditor of £nil (2013: £516) owing by the company to Baldwin Landscaping Limited.

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

22 RELATED PARTY TRANSACTIONS (continued)

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:

	2014	2013
	£	£
Purchases:		
Professional and advisory services	38,040	38,040

At the year end there is a debtor of £2,437 (2013 debtor: £2,437) owing by Private Medicine Intermediaries Limited.

Dividend payments

During the year the company paid dividends amounting to £912,449 (2013: £320,211) to Baldwin Ventures Limited, parent company of PMI Health Group Limited.

During the year the company paid dividends amounting to £37,673 (2013: £19,747) to RDH Munro, who is a director of the company.

During the year the company paid dividends amounting to £2,035 (2013: £1,066) to MI Davis, who is a director of the company.

During the year the parent company, PMI Health Group Limited, has advanced £15,000 to RDH Munro, who is a director of the company. The amount outstanding at 30 June 2014 is £15,000 (2013: £nil). The maximum outstanding during the period is £15,000.

Following the Balance Sheet date on 30 November 2014 the company issued the following shares to RDH Munro; 6,505 'D' ordinary shares of £1 each, 2,000 'E' ordinary shares of £1 each, 2,500 'R' ordinary shares of £1 each and 3,000 'G' ordinary shares of £1 each.

23 PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

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

At the balance sheet date the directors are of the opinion that there is no controlling party, however, following transactions post year end it is the opinion of the directors that M Baldwin is the controlling party.

Baldwin Ventures Limited is the smallest and largest group for which consolidated accounts of PMI Health Group Limited are prepared. The consolidated financial statements of this Group are available to the public and may be obtained from:

Companies House
Crown Way
Cardiff
CW14 3UZ