

PMI Health Group Limited

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

30 June 2012

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COMPANIES HOUSE

Company Registration No 02660256

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

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

The Directors submit their report and the financial statements of PMI Health Group Limited for the year ended 30 June 2012

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

REVIEW OF BUSINESS

The group reported an increase in turnover of 6.8% during the year. Expenditure, although tightly controlled, increased by 6.3% during the year as additional resource was recruited to service new contracts. Interest rates remained low.

Operating profit is higher than 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.

RESULTS AND DIVIDENDS

The group profit for the year after taxation was £1,134,800 (2011 £997,632). The directors recommend a final dividend of £nil (2011 £667,346). The dividend in 2011 was subject to approval by shareholders at the Annual General Meeting and therefore was not been included as a liability in the financial statements at 30 June 2011. During the year dividends were paid of £667,346 (2011 £nil) leaving a profit of £467,454 (2011 £997,632) to be transferred to reserves.

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 areas affecting FSA 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.

PMI Health Group Limited

DIRECTORS' REPORT

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.

DIRECTORS

The following directors have held office since 1 July 2011

CP Baldwin
RDH Munro
MI Davis
M Baldwin

POLITICAL AND CHARITABLE DONATIONS

During the year, a subsidiary undertaking of the group made donations of £31,046 (2011 £30,073) to various registered UK charities. These donations include £22,212 (2011 £22,212) to the Duke of Edinburgh Award Scheme, £2,025 to children's charities (2011 £2,800), £2,000 (2011 £2,000) to Barnardo's and £4,809 (2011 £3,061) to a number of other charities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors have confirmed that, as far as they are aware, 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

Baker Tilly UK Audit LLP, Chartered Accountants, were appointed auditors by the company. Pursuant to section 487 of the Companies Act 2006, the auditors 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

22 Mar 2013

PMI Health Group Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing 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 23. 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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 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 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

27 March 2013

PMI Health Group Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2012

	Note	2012 £	2011 £
TURNOVER		9,539,052	8,929,289
Administrative expenses		(8,011,241)	(7,538,411)
		<hr/>	<hr/>
OPERATING PROFIT		1,527,811	1,390,878
Interest receivable and similar income	4	7,845	7,021
Interest payable and similar charges	5	-	(1,050)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1-5	1,535,656	1,396,849
Taxation	6	(400,856)	(399,217)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	15	1,134,800	997,632
		<hr/> <hr/>	<hr/> <hr/>


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 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	744,710	610,541
CURRENT ASSETS			
Debtors	10	3,721,928	3,375,388
Cash at bank and in hand	11	1,656,632	1,279,100
		5,378,560	4,654,488
CREDITORS Amounts falling due within one year	12	(1,231,165)	(897,512)
NET CURRENT ASSETS		4,147,395	3,756,976
TOTAL ASSETS LESS CURRENT LIABILITIES		4,892,105	4,367,517
DEFERRED INCOME		(748,171)	(691,037)
NET ASSETS		4,143,934	3,676,480
CAPITAL AND RESERVES			
Called up share capital	14	838,029	838,029
Capital redemption reserve	15	93,025	93,025
Share premium	15	24,451	24,451
Profit and loss account	15	3,188,429	2,720,975
SHAREHOLDERS FUNDS		4,143,934	3,676,480


The financial statements on pages 6 to 23 were approved by the board of directors and authorised for issue on 22/3/ 2013 and are signed on its behalf by


M Baldwin
Director

PMI Health Group Limited
COMPANY BALANCE SHEET
at 30 June 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Investments	9	939,108	939,108
CURRENT ASSETS			
Debtors	10	76,343	76,343
Cash at bank and in hand		63,576	64,649
NET CURRENT ASSETS		139,919	140,992
NET ASSETS		1,079,027	1,080,100
CAPITAL AND RESERVES			
Called up share capital	14	838,029	838,029
Capital redemption reserve	15	93,025	93,025
Share premium	15	24,451	24,451
Profit and loss account	15	123,522	124,595
SHAREHOLDERS' FUNDS		1,079,027	1,080,100

The financial statements on pages 6 to 34 were approved by the board of directors and authorised for issue on 22/3/2013 and are signed on its behalf by


M Baldwin
Director

PMI Health Group Limited

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

for the year ended 30 June 2012

	Note	GROUP		COMPANY	
		2012	2011	2012	2011
		£	£	£	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,134,800	997,632	666,273	(1,156)
Dividends	7	(667,346)	-	(667,346)	-
NET ADDITION TO/(REDUCTION IN) SHAREHOLDERS' FUNDS		467,454	997,632	(1,073)	(1,156)
Opening shareholders' funds		3,676,480	2,678,848	1,080,100	1,081,256
CLOSING SHAREHOLDERS' FUNDS		4,143,934	3,676,480	1,079,027	1,080,100

PMI Health Group Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2012

	Note	2012		2011	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	19(a)		1,855,175		1,142,190
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		7,845		7,021	
Interest paid		-		(1,050)	
Net cash inflow for returns on investment and servicing of finance			7,845		5,971
TAXATION					
Corporation tax paid			(430,567)		(440,652)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(484,099)		(278,247)	
Receipts from sale of tangible fixed assets		96,524		18,820	
Net cash outflow for capital expenditure			(387,575)		(259,427)
EQUITY DIVIDENDS PAID	7		(667,346)		-
INCREASE IN CASH IN THE YEAR	19(b)		377,532		448,082

PMI Health Group Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2012

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	Note	2012 £	2011 £
Increase in cash in the year		377,532	448,082
MOVEMENT IN NET FUNDS IN YEAR		<u>377,532</u>	<u>448,082</u>
NET FUNDS AT BEGINNING OF YEAR		<u>1,279,100</u>	<u>831,018</u>
NET FUNDS AT END OF YEAR	19(b)	<u><u>1,656,632</u></u>	<u><u>1,279,100</u></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 directors' report. 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. These financial statements are made up to 30 June 2012.

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.

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

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.

PMI Health Group Limited

ACCOUNTING POLICIES

DEFERRED TAXATION (continued)

Consideration is made of the recoverability of deferred tax assets when establishing an asset 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.

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 2012

1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2012	2011
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Operating leases – land and buildings	157,800	157,800
Depreciation of owned assets	251,797	243,209
Loss/(profit) on sale of tangible fixed assets	1,609	(2,047)
Audit services		
- Statutory audit of parent and consolidation	1,085	1,085
- Statutory audit of subsidiary companies	16,940	16,940
Other services relating to taxation		
- Compliance services	5,350	5,000
Profit on disposal of commercial insurance business	(29,206)	(23,836)
	<u><u> </u></u>	<u><u> </u></u>

2 DIRECTORS' REMUNERATION

	2012	2011
	£	£
Emoluments	171,361	156,688
Sums paid to third parties for directors' services	272,095	260,690
Pension fund contributions	15,554	15,101
	<u><u> </u></u>	<u><u> </u></u>
	459,010	432,479
	<u><u> </u></u>	<u><u> </u></u>

	2012	2011
	Number	Number
The number of directors to whom retirement benefits are accruing under		
Defined contribution pension schemes	1	1
	<u><u> </u></u>	<u><u> </u></u>

	2012	2011
	£	£
Highest paid director		
Emoluments	221,928	212,668
	<u><u> </u></u>	<u><u> </u></u>

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

3 STAFF COSTS

	2012	2011
	£	£
Aggregate staff costs were as follows		
Wages and salaries	4,483,513	4,160,534
Social security costs	519,111	463,556
Other pension costs	378,416	313,802
	5,381,040	4,937,892

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

	2012	2011
	Number	Number
Management and administration	96	96
Sales staff	25	23
Medical staff	21	22
	142	141

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2011
	£	£
Bank interest	7,845	7,021

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Interest payable on corporation tax	-	1,050

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

6 TAXATION

	2012 £	2011 £
Current tax		
UK corporation tax on profits for the year	396,174	386,027
Adjustments in respect of previous years	(2,047)	(2,321)
	<u>394,127</u>	<u>383,706</u>
Total current tax (see below)		
Deferred taxation		
Origination and reversal of timing differences	4,999	9,733
Adjustment in respect of previous year	1,730	5,778
	<u>6,729</u>	<u>15,511</u>
Total deferred tax		
Tax on profit on ordinary activities	<u>400,856</u>	<u>399,217</u>

Factors affecting tax charge for year	2012 £	2011 £
---------------------------------------	-----------	-----------

The tax assessed for the period is higher than (2011 lower than) the average standard rate of corporation tax in the UK 25.5% (2011 27.5%) The differences are explained below

Profit on ordinary activities before tax	1,535,656	1,396,849
Profit on ordinary activities multiplied by the average standard rate of corporation tax in the UK 25.5% (2011 27.5%)	<u>391,593</u>	<u>384,133</u>
Effects of		
Expenses not deductible for tax purposes	10,281	14,863
Fixed asset timing differences	(3,930)	(3,926)
Adjustments in respect of previous years	(2,047)	(2,321)
Other differences	355	(6,150)
Small companies relief	(2,125)	(2,893)
	<u>394,127</u>	<u>383,706</u>
Tax charge for year		

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

7 DIVIDENDS

	2012 £	2011 £
'B' ordinary shares *	457,346	-
'C' ordinary shares **	210,000	-
	<u>667,346</u>	<u>-</u>

* Dividend per share £0 72 (2011 £nil)

** Dividend per share £1 05 (2011 £nil)

8 TANGIBLE FIXED ASSETS

GROUP	Computer equipment	Motor vehicles	Fixtures, fittings and equipment	Total
	£	£	£	£
<i>Cost</i>				
At beginning of year	1,223,566	499,256	473,263	2,196,085
Additions	159,181	280,799	44,119	484,099
Disposals	(187,607)	(233,464)	(8,551)	(429,622)
	<u>1,195,140</u>	<u>546,591</u>	<u>508,831</u>	<u>2,250,562</u>
<i>Depreciation</i>				
At beginning of year	952,953	215,292	417,299	1,585,544
Charge for year	121,239	100,857	29,701	251,797
Disposals	(181,998)	(141,000)	(8,491)	(331,489)
	<u>892,194</u>	<u>175,149</u>	<u>438,509</u>	<u>1,505,852</u>
<i>Net book value</i>				
At 30 June 2012	<u>302,946</u>	<u>371,442</u>	<u>70,322</u>	<u>744,710</u>
At 30 June 2011	<u>270,613</u>	<u>283,964</u>	<u>55,964</u>	<u>610,541</u>

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

9 INVESTMENTS

COMPANY

Investments in subsidiary undertakings

Cost	£
At beginning and end of year	939,108

Subsidiary undertakings (both included in the consolidation)

<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

10 DEBTORS

	GROUP		COMPANY	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	3,316,756	2,958,298	-	-
Amounts due from subsidiary company	-	-	76,343	76,343
Deferred taxation (see note 13)	15,803	22,532	-	-
Other debtors	14,513	35,627	-	-
Prepayments and accrued income	374,856	358,931	-	-
	<u>3,721,928</u>	<u>3,375,388</u>	<u>76,343</u>	<u>76,343</u>

11 INSURANCE MONIES HELD

The group holds monies on behalf of its clients in statutory trust accounts in respect of insurance premiums of £736,759 (2011 £397,341) which are not included in the cash balances at the year end

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

12 CREDITORS Amounts falling due within one year

	GROUP		COMPANY	
	2012 £	2011 £	2012 £	2011 £
Trade creditors	228,859	94,180	-	-
Corporation tax	136,007	172,447	-	-
Other taxes and social security costs	192,495	175,849	-	-
Amounts owed to group undertaking	39,944	61,784	-	-
Accruals	633,860	393,252	-	-
	<u>1,231,165</u>	<u>897,512</u>	<u>-</u>	<u>-</u>

13 DEFERRED TAXATION

GROUP
£

Asset at beginning of year	22,532
Charge for the year	(6,729)
Asset at end of year	<u>15,803</u>

The elements of deferred taxation are as follows

	GROUP	
	2012 £	2011 £
Difference between accumulated depreciation and capital allowances	6,974	10,293
Other timing differences	8,829	12,239
Deferred tax asset	<u>15,803</u>	<u>22,532</u>

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2012

14	SHARE CAPITAL	2012	2011
		£	£
	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
		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.

15	RESERVES	Capital redemption reserve £	Share premium £	Profit and loss account £
	GROUP			
	At beginning of year	93,025	24,451	2,720,975
	Profit for the year	-	-	1,134,800
	Dividends	-	-	(667,346)
	At end of year	93,025	24,451	3,188,429
		93,025	24,451	3,188,429
	COMPANY			
	At beginning of year	93,025	24,451	124,595
	Profit for the year	-	-	666,273
	Dividends	-	-	(667,346)
	At end of year	93,025	24,451	123,522
		93,025	24,451	123,522

PMI Health Group Limited
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16 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 £666,273 (2011 a loss of £1,156)

17 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 £378,416 (2011 £313,802). Contributions outstanding at the year end totalled £25,724 (2011 £24,511).

18 COMMITMENTS UNDER OPERATING LEASES

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

	2012 £	2011 £
Land and buildings expiring over five years	157,800	157,800
	<u>157,800</u>	<u>157,800</u>

19 CASH FLOW WORKINGS

a RECONCILIATION OF OPERATING PROFIT TO NET CASH
INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	1,527,811	1,390,878
Depreciation	251,797	243,209
Loss/(profit) on disposal of tangible fixed assets	1,609	(2,047)
Increase in debtors	(353,269)	(403,517)
Increase/(decrease) in creditors	370,093	(67,743)
Increase/(decrease) in deferred income	57,134	(18,590)
	<u>1,855,175</u>	<u>1,142,190</u>
Net cash inflow from operating activities	<u>1,855,175</u>	<u>1,142,190</u>

b ANALYSIS OF NET FUNDS

	At beginning of year £	Cash Flow £	At end of year £
Cash at bank and in hand	1,279,100	377,532	<u>1,656,632</u>

PMI Health Group Limited
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20 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 Ventures Limited
- Baldwin Enterprises Limited
- Baldwin Investments Limited
- Baldwin Estates Limited
- Argosy Systems Limited

At 30 June 2012 the VAT liability of the VAT group excluding that of the company was £65,094 (2011 £66,238)

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

21 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 (2011 £157,800)

The following creditor balances existed at the year end

	2012 £	2011 £
CP Baldwin Pension Trust	8,900	8,900

Baldwin Ventures Limited

During the year the group was recharged expenses aggregating to £225,240 (2011 £217,675) 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 £39,944 (2011 £61,784)

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

	2012 £	2011 £
Gardening services	3,020	3,617

At the year end there is a creditor of £258 (2011 £1,070) owing by the company to Baldwin Landscaping Limited

PMI Health Group Limited
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for the year ended 30 June 2012

21 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

	2012	2011
	£	£
Purchases		
Professional and advisory services	50,168	53,238

At the year end there is a debtor of £2,437 (2011 creditor £3,610) owing by Private Medicine Intermediaries Limited

Dividend payments

During the year the company paid dividends amounting to £628,421 (2011 £nil) to Baldwin Ventures Limited, parent company of PMI Health Group Limited

During the year the company paid dividends amounting to £25,804 (2011 £nil) to RDH Munro, who is a director of the company

During the year the company paid dividends amounting to £1,394 (2011 £nil) to MI Davis, who is a director of the company

22 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 there is no controlling party

The consolidated financial statements of this Group are available to the public and may be obtained from

Companies House
Crown Way
Cardiff
CW14 3UZ