

financial statements

General & Medical Finance Limited (formerly known as General & Medical Finance PLC)

For the year ended 31 December 2011

Company registration number 02421641



General & Medical Finance Limited **(formerly known as General & Medical Finance PLC)**

Financial Statements

Year ended 31 December 2011

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General & Medical Finance Limited
(formerly known as General & Medical Finance PLC)

Officers and Professional Advisers

The Board of Directors

D Wildman
G Wildman

Company Secretary

G Wildman

Registered Office

General & Medical House
Napier Place
Orton Wistow
Peterborough
PE2 6XN

Auditor

MHA MacIntyre Hudson
Chartered Accountants
& Statutory Auditor
8-12 Priestgate
Peterborough
PE1 1JA

General & Medical Finance Limited **(formerly known as General & Medical Finance PLC)**

The Directors' Report

Year ended 31 December 2011

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2011

Principal activities and business review

The principal activities during the current and previous year were those of

- i) Providing private health insurance for individuals, associations and companies in the UK
- ii) Personal accident insurance
- iii) Critical illness insurance
- iv) Term life assurance
- v) Temporary disablement insurance
- vi) Worldwide travel insurance
- vii) Providing finance and leasing facilities
- viii) Procurement of healthcare services

The directors use the following key financial performance indicators to evaluate the company's performance

	2011 £	2010 £
Turnover	5,782,651	5,051,426
Operating Profit	56,817	81,122

The company has performed in line with the directors' expectations

Results and dividends

The profit for the year, after taxation, amounted to £48,133. The directors have not recommended a dividend

Financial risk management objectives and policies

The Directors are aware of the risks of a fiercely competitive UK market for medical insurance. This risk is being actively managed by the following measures

- i) Full compliance with all rules and regulations which apply to the sector
- ii) Aggregate risk insurance is active and underwritten by outside agencies
- iii) Capital adequacy exceeds minimum statutory requirements
- iv) Full programmes of staff training
- v) Regular meetings of the Quality Council (set up to review company processes)
- vi) Full programmes of market intelligence and information gathering

General & Medical Finance Limited **(formerly known as General & Medical Finance PLC)**

The Directors' Report *(continued)*

Year ended 31 December 2011

Directors

The directors who served the company during the year were as follows

D Wildman
G Wildman

Policy on the payment of creditors

It is the company's policy to accept suppliers' terms without negotiation. Suppliers therefore know the terms upon which payment will be made when business is agreed. It is the company's policy to abide by these terms. At the end of the current and previous years all amounts due to trade creditors had been settled, therefore time taken to settle credit accounts per these financial statements was nil.

Directors' responsibilities

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 company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

General & Medical Finance Limited **(formerly known as General & Medical Finance PLC)**

The Directors' Report *(continued)*

Year ended 31 December 2011

In so far as the directors are aware

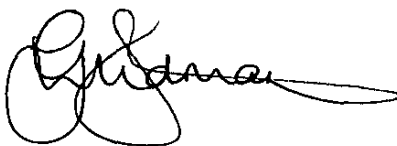
- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

On 21 November 2011, our auditors adopted the trading name MHA MacIntyre Hudson MHA MacIntyre Hudson is deemed to be re-appointed under section 487(2) of Companies Act 2006

Registered office
General & Medical House
Napier Place
Orton Wistow
Peterborough
PE2 6XN

Signed by order of the directors



G Wildman
Company Secretary

Approved by the directors on **28-6-2012**

General & Medical Finance Limited **(formerly known as General & Medical Finance PLC)**

Independent Auditor's Report to the Shareholders of General & Medical Finance Limited (formerly known as General & Medical Finance PLC)

Year ended 31 December 2011

We have audited the financial statements of General & Medical Finance Limited (formerly known as General & Medical Finance PLC) for the year ended 31 December 2011 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

General & Medical Finance Limited (formerly known as General & Medical Finance PLC)

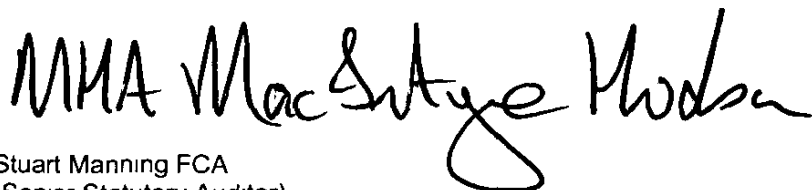
Independent Auditor's Report to the Shareholders of General & Medical Finance Limited (formerly known as General & Medical Finance PLC) (continued)

Year ended 31 December 2011

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Stuart Manning FCA
(Senior Statutory Auditor)
For and on behalf of
MHA MacIntyre Hudson
Statutory Auditor
Chartered Accountants
8-12 Priestgate
Peterborough
PE1 1JA

20th June 2012

General & Medical Finance Limited
(formerly known as General & Medical Finance PLC)

Profit and Loss Account

Year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	2	5,782,651	5,051,426
Cost of sales		4,692,870	4,000,206
Gross profit		1,089,781	1,051,220
Administrative expenses		1,088,964	998,098
Other operating income		(56,000)	(28,000)
Operating profit	3	56,817	81,122
Interest receivable		1,982	769
Profit on ordinary activities before taxation		58,799	81,891
Tax on profit on ordinary activities	6	10,666	27,194
Profit for the financial year		£48,133	£54,697

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 17 form part of these financial statements

General & Medical Finance Limited
(formerly known as General & Medical Finance PLC)

Balance Sheet

31 December 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	7	<u>117,456</u>	<u>132,740</u>
Current assets			
Debtors	8	2,810,405	2,205,552
Creditors: amounts falling due within one year	9	<u>2,526,868</u>	<u>1,982,931</u>
Net current assets		283,537	222,621
Total assets less current liabilities		400,993	355,361
Provisions for liabilities			
Deferred taxation	11	<u>15,345</u>	<u>17,846</u>
		£385,648	£337,515
Capital and reserves			
Called-up equity share capital	14	50,000	50,000
Profit and loss account	15	<u>335,648</u>	<u>287,515</u>
Shareholders' funds	16	£385,648	£337,515

These financial statements were approved by the directors and authorised for issue on **28-6-2012**, and are signed on their behalf by



D Wildman

Company Registration Number 02421641

The notes on pages 9 to 17 form part of these financial statements

General & Medical Finance Limited **(formerly known as General & Medical Finance PLC)**

Notes to the Financial Statements

Year ended 31 December 2011

1 Accounting policies

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax

Turnover includes the interest element of finance lease repayments

Turnover and cost of sales both include the purchase cost of assets acquired in the year which are rented out under finance lease arrangements

In accordance with the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers, the amount to which policies incepted as at the balance sheet date cover future periods is included as both a debtor and deferred income

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures and fittings	- Reducing balance at 15% per annum
Motor vehicles	- Reducing balance at 25% per annum
Office equipment	- Reducing balance at 15% per annum

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company makes contributions to employee's and directors personal defined contribution pension schemes. These contributions are charged to the Profit and Loss account

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

General & Medical Finance Limited **(formerly known as General & Medical Finance PLC)**

Notes to the Financial Statements

Year ended 31 December 2011

1. Accounting policies *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Leased assets as lessor

Assets leased to customers under agreements which transfer substantially all the risks and rewards of ownership, other than the legal title, are classified as finance leases. The net investment in the finance leases is included under debtors and represents the total primary rentals outstanding less unearned income.

General & Medical Finance Limited (formerly known as General & Medical Finance PLC)

Notes to the Financial Statements

Year ended 31 December 2011

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	<u>5,782,651</u>	<u>5,051,426</u>

The turnover and profit before tax are attributable to the following principal activities of the company, all of which are within the United Kingdom

	2011 £	2010 £
Provision of insurances	4,925,833	4,027,450
Procurement of healthcare services	856,818	1,023,494
Finance and leasing facilities - Interest	-	482
Total of above	<u>5,782,651</u>	<u>5,051,426</u>

3. Operating profit

Operating profit is stated after charging

	2011 £	2010 £
Depreciation of owned fixed assets	18,248	21,235
Auditor's remuneration - audit of the financial statements	5,000	4,850
Auditor's remuneration - other fees	<u>3,995</u>	<u>4,785</u>

General & Medical Finance Limited (formerly known as General & Medical Finance PLC)

Notes to the Financial Statements

Year ended 31 December 2011

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2011 No	2010 No
Number of other staff	<u>29</u>	<u>29</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	567,518	524,243
Social security costs	50,444	47,515
Other pension costs	14,400	18,628
	<u>632,362</u>	<u>590,386</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2011 £	2010 £
Remuneration receivable	—	—
Value of company pension contributions to money purchase schemes	14,400	9,600
	<u>14,400</u>	<u>9,600</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2011 No	2010 No
Money purchase schemes	<u>2</u>	<u>2</u>

General & Medical Finance Limited (formerly known as General & Medical Finance PLC)

Notes to the Financial Statements

Year ended 31 December 2011

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 26% (2010 - 28%)	14,044	22,949
Over provision in prior year	(877)	(194)
Total current tax	13,167	22,755
Deferred tax		
Origination and reversal of timing differences (note 11)		
Capital allowances	(2,501)	4,439
Tax on profit on ordinary activities	10,666	27,194

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26% (2010 - 28%)

	2011 £	2010 £
Profit on ordinary activities before taxation	58,799	81,891
Profit on ordinary activities by rate of tax	15,288	22,929
Capital allowances in excess of depreciation for the year	1,812	773
Expenses not deductible for tax purposes	934	2,014
Adjustments to tax in respect of previous periods	(877)	(194)
Small companies starting rates	(3,990)	(2,767)
Total current tax (note 6(a))	13,167	22,755

General & Medical Finance Limited (formerly known as General & Medical Finance PLC)

Notes to the Financial Statements

Year ended 31 December 2011

7. Tangible fixed assets

	Fixtures & fittings £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 January 2011	163,644	12,420	224,715	400,779
Additions	2,494	–	470	2,964
At 31 December 2011	166,138	12,420	225,185	403,743
Depreciation				
At 1 January 2011	107,478	–	160,561	268,039
Charge for the year	8,581	–	9,667	18,248
At 31 December 2011	116,059	–	170,228	286,287
Net book value				
At 31 December 2011	50,079	12,420	54,957	117,456
At 31 December 2010	56,166	12,420	64,154	132,740

8. Debtors

	2011 £	2010 £
Trade debtors	2,342,306	1,820,710
Amounts owed by group undertakings	353,357	280,095
VAT recoverable	–	74
Other debtors	14,000	2,000
Prepayments and accrued income	100,742	102,673
	2,810,405	2,205,552

General & Medical Finance Limited (formerly known as General & Medical Finance PLC)

Notes to the Financial Statements

Year ended 31 December 2011

9 Creditors, amounts falling due within one year

	2011 £	2010 £
Overdrafts	35,449	5,867
Amounts owed to group undertakings	54,073	7,983
Corporation tax	14,044	22,949
PAYE and social security	14,386	13,748
VAT	107	–
Directors' loan accounts	8,713	8,713
Accruals and deferred income	2,400,096	1,923,671
	<u>2,526,868</u>	<u>1,982,931</u>

10. Pensions

The company contributes to a defined contribution scheme for its directors and employees

The charge for the year is £14,400 (2010 £18,628)

There were no outstanding or prepaid contributions at the balance sheet date (2010 nil)

11. Deferred taxation

The movement in the deferred taxation provision during the year was

	2011 £	2010 £
Provision brought forward	17,846	13,407
Profit and loss account movement arising during the year	(2,501)	4,439
Provision carried forward	<u>15,345</u>	<u>17,846</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2011 £	2010 £
Excess of taxation allowances over depreciation on fixed assets	15,345	17,846
	<u>15,345</u>	<u>17,846</u>

General & Medical Finance Limited (formerly known as General & Medical Finance PLC)

Notes to the Financial Statements

Year ended 31 December 2011

12 Commitments under operating leases

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than Land and buildings	
	2011	2010
	£	£
Operating leases which expire Within 2 to 5 years	<u>13,639</u>	<u>-</u>

13 Related party transactions

The company was under the ultimate control of the directors of its holding company, Mr D Wildman and Mrs G Wildman, throughout the current and previous year

The directors have loaned monies to the company. At the balance sheet date the amounts due to the directors totalled £8,713 (2010 £8,713)

The company has taken the exemption available under the Companies Act 2006 from disclosing transactions with group companies on the basis that the company is included within publicly available consolidated financial statements for the group

14 Share capital

Authorised share capital

	2011	2010
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid.

	2011		2010	
	No	£	No	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

General & Medical Finance Limited (formerly known as General & Medical Finance PLC)

Notes to the Financial Statements

Year ended 31 December 2011

15 Profit and loss account

	2011 £	2010 £
Balance brought forward	287,515	232,818
Profit for the financial year	48,133	54,697
Balance carried forward	<u>335,648</u>	<u>287,515</u>

16. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	48,133	54,697
Opening shareholders' funds	337,515	282,818
Closing shareholders' funds	<u>385,648</u>	<u>337,515</u>

17. Ultimate parent company

The company is a 100% subsidiary of General and Medical Securities Limited, a company registered in England and Wales

Consolidated financial statements for the group are prepared by General and Medical Securities Limited and are publicly available via Companies House