

# financial statements

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## **General & Medical Finance Plc**

For the year ended 31 December 2010

Company registration number 02421641

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# **General & Medical Finance PLC**

## **Financial Statements**

**Year ended 31 December 2010**

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# **General & Medical Finance PLC**

## **Officers and Professional Advisers**

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### **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**

MacIntyre Hudson LLP  
Chartered Accountants  
& Statutory Auditor  
8-12 Prestgate  
Peterborough  
PE1 1JA

# General & Medical Finance PLC

## The Directors' Report

Year ended 31 December 2010

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2010

### Principal activities and business review

The principal activities during 2010 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

	2010 £	2009 £
Turnover	5,051,426	3,283,576
Operating Profit	81,122	65,887

The company has performed in line with the directors' expectations

### Results and dividends

The profit for the year, after taxation, amounted to £54,697. 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 PLC

## The Directors' Report *(continued)*

Year ended 31 December 2010

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### 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 31 December 2010 and 2009 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 PLC

## The Directors' Report *(continued)*

Year ended 31 December 2010

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In so far as the directors are aware

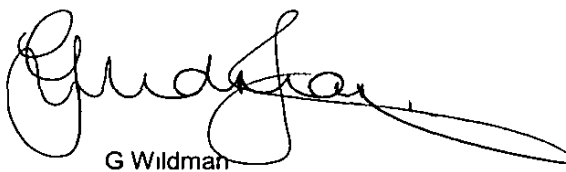
- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

### Auditor

MacIntyre Hudson LLP have been re-appointed as auditor for the ensuing year in accordance with section 489 of the 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 June 2011

# **General & Medical Finance PLC**

## **Independent Auditor's Report to the Shareholders of General & Medical Finance PLC**

**Year ended 31 December 2010**

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We have audited the financial statements of General & Medical Finance PLC for the year ended 31 December 2010 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.

### **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 2010 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 matters 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 PLC

Independent Auditor's Report to the Shareholders of General & Medical Finance PLC *(continued)*

Year ended 31 December 2010

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### 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

*MacIntyre Hudson LLP*

Stuart Manning (FCA) (Senior Statutory Auditor)  
For and on behalf of  
MacIntyre Hudson LLP  
Chartered Accountants  
& Statutory Auditor

8-12 Priestgate  
Peterborough  
PE1 1JA

Date

*28th June 2011*



## General & Medical Finance PLC

### Profit and Loss Account

Year ended 31 December 2010

	Note	2010 £	2009 £
Turnover	2	5,051,426	3,283,576
Cost of sales		4,000,206	2,298,080
Gross profit		1,051,220	985,496
Administrative expenses		998,098	919,609
Other operating income		(28,000)	—
Operating profit	3	81,122	65,887
Interest receivable		769	673
Profit on ordinary activities before taxation		81,891	66,560
Tax on profit on ordinary activities	6	27,194	16,917
Profit for the financial year		<u>£54,697</u>	<u>£49,643</u>

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 16 form part of these financial statements.

# General & Medical Finance PLC

## Balance Sheet

31 December 2010

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	7	<u>132,740</u>	<u>145,895</u>
<b>Current assets</b>			
Debtors	8	2,205,552	1,919,352
<b>Creditors: amounts falling due within one year</b>	9	<u>1,982,931</u>	<u>1,769,022</u>
<b>Net current assets</b>		<b>222,621</b>	<b>150,330</b>
<b>Total assets less current liabilities</b>		<b>355,361</b>	<b>296,225</b>
<b>Provisions for liabilities</b>			
Deferred taxation	11	<u>17,846</u>	<u>13,407</u>
		<b>£337,515</b>	<b>£282,818</b>
<b>Capital and reserves</b>			
Called-up equity share capital	14	50,000	50,000
Profit and loss account	15	<u>287,515</u>	<u>232,818</u>
<b>Shareholders' funds</b>	16	<b>£337,515</b>	<b>£282,818</b>

These financial statements were approved by the directors and authorised for issue on 28 June 2011 and are signed on their behalf by



D Wildman

Company Registration Number 02421641

The notes on pages 9 to 16 form part of these financial statements

# General & Medical Finance PLC

## Notes to the Financial Statements

Year ended 31 December 2010

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### 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 by 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

#### Pension costs

The company makes contributions to employees' 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

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

# General & Medical Finance PLC

## Notes to the Financial Statements

Year ended 31 December 2010

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### 1 Accounting policies (continued)

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

### 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

	2010 £	2009 £
United Kingdom	<u>5,051,426</u>	<u>3,283,576</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

	2010 £	2009 £
Provision of insurances	4,027,450	3,281,836
Procurement of healthcare services	1,023,494	-
Finance and leasing facilities - Interest	482	1,740
Total of above	<u>5,051,426</u>	<u>3,283,576</u>

# General & Medical Finance PLC

## Notes to the Financial Statements

Year ended 31 December 2010

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### 3. Operating profit

Operating profit is stated after charging

	2010 £	2009 £
Depreciation of owned fixed assets	21,235	24,671
Loss on disposal of fixed assets	—	630
Auditor's remuneration - audit of the financial statements	4,850	4,750
Auditor's remuneration - other fees	<u>4,785</u>	<u>4,095</u>

### 4 Particulars of employees

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

	2010 No	2009 No
Number of other staff	<u>29</u>	<u>28</u>

The aggregate payroll costs of the above were

	2010 £	2009 £
Wages and salaries	524,243	460,184
Social security costs	47,515	40,280
Other pension costs	18,628	22,450
	<u>£590,386</u>	<u>£522,914</u>

# General & Medical Finance PLC

## Notes to the Financial Statements

Year ended 31 December 2010

### 5 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2010 £	2009 £
Remuneration receivable	—	—
Value of company pension contributions to money purchase schemes	9,600	14,400
	<u>£9,600</u>	<u>£14,400</u>

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

	2010 No	2009 No
Money purchase schemes	<u>2</u>	<u>2</u>

### 6 Taxation on ordinary activities

#### (a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2009 - 21%)	22,949	13,519
(Over)/under provision in prior year	(194)	784
Total current tax	<u>22,755</u>	<u>14,303</u>
Deferred tax		
Origination and reversal of timing differences (note 11) Capital allowances	4,439	2,614
Tax on profit on ordinary activities	<u>£27,194</u>	<u>£16,917</u>

# General & Medical Finance PLC

## Notes to the Financial Statements

Year ended 31 December 2010

### 6 Taxation on ordinary activities *(continued)*

#### (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 28% (2009 - 21%)

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>81,891</u>	<u>66,560</u>
Profit on ordinary activities by rate of tax	22,929	13,978
Capital allowances in excess of depreciation for the year	773	(2,777)
Expenses not deductible for tax purposes	2,014	2,339
Adjustments to tax in respect of previous periods	(194)	784
Small companies starting rates	(2,767)	-
Other adjustments	-	(21)
Total current tax (note 6(a))	<u>£22,755</u>	<u>£14,303</u>

### 7 Tangible fixed assets

	Fixtures & fittings £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>				
At 1 January 2010	163,644	12,420	216,635	392,699
Additions	-	-	8,080	8,080
<b>At 31 December 2010</b>	<u>163,644</u>	<u>12,420</u>	<u>224,715</u>	<u>400,779</u>
<b>Depreciation</b>				
At 1 January 2010	97,560	-	149,244	246,804
Charge for the year	9,918	-	11,317	21,235
<b>At 31 December 2010</b>	<u>107,478</u>	<u>-</u>	<u>160,561</u>	<u>268,039</u>
<b>Net book value</b>				
<b>At 31 December 2010</b>	<u>£56,166</u>	<u>£12,420</u>	<u>£64,154</u>	<u>£132,740</u>
At 31 December 2009	<u>£66,084</u>	<u>£12,420</u>	<u>£67,391</u>	<u>£145,895</u>

# General & Medical Finance PLC

## Notes to the Financial Statements

Year ended 31 December 2010

### 8 Debtors

	2010 £	2009 £
Trade debtors	1,820,710	1,619,615
Amounts owed by group undertakings	280,095	189,913
VAT recoverable	74	–
Investment in finance leases	–	293
Other debtors	2,000	13,209
Prepayments and accrued income	102,673	96,322
	<u>£2,205,552</u>	<u>£1,919,352</u>

### 9 Creditors: amounts falling due within one year

	2010 £	2009 £
Overdrafts	5,867	45,587
Amounts owed to group undertakings	7,983	25,439
Corporation tax	22,949	13,519
PAYE and social security	13,748	12,091
VAT	–	1,766
Directors' loan accounts	8,713	8,713
Accruals and deferred income	1,923,671	1,661,907
	<u>£1,982,931</u>	<u>£1,769,022</u>

### 10 Pensions

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

The charge for the year is £18,628 (2009 £22,450)

There were no outstanding or prepaid contributions at the balance sheet date (2009 £nil)

### 11 Deferred taxation

The movement in the deferred taxation provision during the year was

	2010 £	2009 £
Provision brought forward	13,407	10,793
Profit and loss account movement arising during the year	4,439	2,614
Provision carried forward	<u>£17,846</u>	<u>£13,407</u>



# General & Medical Finance PLC

## Notes to the Financial Statements

Year ended 31 December 2010

### 11 Deferred taxation (continued)

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

	2010 £	2009 £
Excess of taxation allowances over depreciation on fixed assets	17,846	13,407
	<u>£17,846</u>	<u>£13,407</u>

### 12 Advances and credits relating to the directors

The directors have loaned monies to the company. At the balance sheet date the amount due to the directors totalled £8,713 (2009 £8,713)

### 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 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:

	2010 £	2009 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid

	2010		2009	
	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 PLC

## Notes to the Financial Statements

Year ended 31 December 2010

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### 15 Profit and loss account

	2010 £	2009 £
Balance brought forward	232,818	183,175
Profit for the financial year	54,697	49,643
Balance carried forward	<u>£287,515</u>	<u>£232,818</u>

### 16 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	54,697	49,643
Opening shareholders' funds	282,818	233,175
Closing shareholders' funds	<u>£337,515</u>	<u>£282,818</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