

Registered number: 02421641

**GENERAL & MEDICAL FINANCE LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**



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**GENERAL & MEDICAL FINANCE LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

Mr D A Wildman  
Mrs G Wildman

**COMPANY SECRETARY**

Mrs G Wildman

**REGISTERED NUMBER**

02421641

**REGISTERED OFFICE**

General & Medical House  
Napier Place  
Peterborough  
PE2 6XN

**INDEPENDENT AUDITORS**

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

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**GENERAL & MEDICAL FINANCE LIMITED**

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## **GENERAL & MEDICAL FINANCE LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their report and the financial statements for the year ended 31 December 2015.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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; and
- 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.

#### **PRINCIPAL ACTIVITY**

The principal activities of the company continued to be that 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) Procurement of healthcare services

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £7,923 (2014 - £28,511).

A dividend of £25,000 (50p per ordinary share) was paid on 23 November 2015, to parent company General and Medical Securities Limited.

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## GENERAL & MEDICAL FINANCE LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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#### DIRECTORS

The directors who served during the year were:

Mr D A Wildman  
Mrs G Wildman

#### DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### POST BALANCE SHEET EVENTS

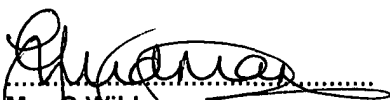
There have been no significant events affecting the Company since the year end.

#### AUDITORS

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
.....  
Mrs G Wildman  
Company Secretary

Date: 8 June 2016

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## **GENERAL & MEDICAL FINANCE LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GENERAL & MEDICAL FINANCE LIMITED**

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We have audited the financial statements of General & Medical Finance Limited for the year ended 31 December 2015, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity 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) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' responsibilities statement, 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 Financial Reporting Council'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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 and the directors' report has been prepared in accordance with applicable legal requirements.

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**GENERAL & MEDICAL FINANCE LIMITED**

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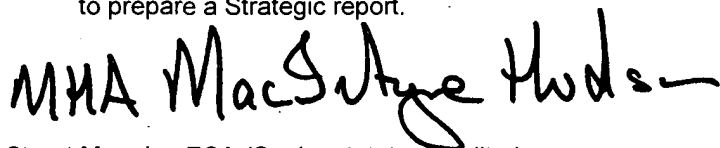
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GENERAL & MEDICAL FINANCE LIMITED**

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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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Stuart Manning FCA (Senior statutory auditor)

for and on behalf of  
**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

8-12 Priestgate  
Peterborough  
PE1 1JA

Date:

20th June 2016

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**GENERAL & MEDICAL FINANCE LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Note	2015 £	2014 £
Turnover		5,127,899	4,904,303
Cost of sales		(4,025,123)	(3,894,018)
<b>Gross profit</b>		<b>1,102,776</b>	<b>1,010,285</b>
Administrative expenses		(1,093,753)	(976,459)
<b>Operating profit</b>		<b>9,023</b>	<b>33,826</b>
Interest receivable and similar income	9	1,342	2,183
<b>Profit before tax</b>		<b>10,365</b>	<b>36,009</b>
Tax on profit	10	(2,442)	(7,498)
<b>Profit for the year</b>		<b>7,923</b>	<b>28,511</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>7,923</b>	<b>28,511</b>


There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.  
The notes on pages 10 to 23 form part of these financial statements.

**GENERAL & MEDICAL FINANCE LIMITED**  
**REGISTERED NUMBER:02421641**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	12	95,228	97,722
		<u>95,228</u>	<u>97,722</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	13	8,550	-
Debtors: amounts falling due within one year	13	2,638,656	2,548,686
Cash at bank and in hand	14	239,045	341,777
		<u>2,886,251</u>	<u>2,890,463</u>
Creditors: amounts falling due within one year	15	(2,519,988)	(2,509,773)
<b>Net current assets</b>		<u>366,263</u>	<u>380,690</u>
<b>Total assets less current liabilities</b>		<u>461,491</u>	<u>478,412</u>
<b>Provisions for liabilities</b>			
Deferred tax		(13,889)	(13,733)
		<u>(13,889)</u>	<u>(13,733)</u>
<b>Net assets</b>		<u>447,602</u>	<u>464,679</u>
<b>Capital and reserves</b>			
Called up share capital	18	50,000	50,000
Profit and loss account	19	397,602	414,679
		<u>447,602</u>	<u>464,679</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
**8 June 2016**

  
 .....  
**Mr D A Wildman**  
 Director

The notes on pages 10 to 23 form part of these financial statements.

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**GENERAL & MEDICAL FINANCE LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2015**

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	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	50,000	414,679	464,679
<b>Comprehensive income for the year</b>			
Profit for the year	-	7,923	7,923
<b>Total comprehensive income for the year</b>	-	7,923	7,923
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(25,000)	(25,000)
<b>Total transactions with owners</b>	-	(25,000)	(25,000)
<b>At 31 December 2015</b>	<b>50,000</b>	<b>397,602</b>	<b>447,602</b>

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**GENERAL & MEDICAL FINANCE LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2014**

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	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	50,000	386,168	436,168
<b>Comprehensive income for the year</b>			
Profit for the year	-	28,511	28,511
<b>Total comprehensive income for the year</b>	-	28,511	28,511
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2014</b>	<b>50,000</b>	<b>414,679</b>	<b>464,679</b>

The notes on pages 10 to 23 form part of these financial statements.

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**GENERAL & MEDICAL FINANCE LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	7,923	28,511
<b>Adjustments for:</b>		
Depreciation of tangible assets	16,776	17,236
Interest receivable	(1,342)	(2,183)
Taxation	2,442	7,498
(Increase) / decrease in debtors	(98,521)	156,984
Increase in amounts owed by group companies	-	(15,764)
Increase / (decrease) in creditors	39,223	(169,199)
Increase / (decrease) in amounts owed to group companies	35,422	(29,218)
Corporation tax paid	(4,061)	(2,582)
<b>Net cash generated from operating activities</b>	<b>(2,138)</b>	<b>(8,717)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(14,281)	(30,923)
Interest receivable	1,342	2,183
<b>Net cash from investing activities</b>	<b>(12,939)</b>	<b>(28,740)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(25,000)	-
<b>Net cash used in financing activities</b>	<b>(25,000)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(40,077)</b>	<b>(37,457)</b>
Cash and cash equivalents at beginning of year	(94,886)	(57,429)
<b>Cash and cash equivalents at the end of year</b>	<b>(134,963)</b>	<b>(94,886)</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	239,045	341,777
Bank overdrafts	(374,008)	(436,663)
	<b>(134,963)</b>	<b>(94,886)</b>

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## **GENERAL & MEDICAL FINANCE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1. COMPANY INFORMATION**

The entity is a members' limited liability company which is incorporated in England and Wales. The registered office is General & Medical House, Napier Place, Peterborough, PE2 6XN.

The nature of the entity's operations and its principal activities are set out in the directors report on page 1.

The functional currency of General & Medical Finance Limited is pounds sterling (£).

#### **2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006.

These financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS 102. The date of transition is 1 January 2014.

Information on the impact of first-time adoption of FRS 102 is given in note 24.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

The following principal accounting policies have been applied:

#### **3. ACCOUNTING POLICIES**

##### **3.1 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, and other sales taxes.

Revenue includes all receipts from customers with cost of sales being payments to the insurance subsidiary General and Medical Insurance Limited and for claims paid on their behalf.

The gross profit therefore effectively consists of brokerage, commission and fees associated with the placement of insurance and reinsurance contracts, net of commissions payable to other directly involved parties. Revenues from brokerage, commissions and fees are recognised on the inception date of the risk. Any adjustments to commission arising from premium additions or reductions are recognised as and when they are notified by third parties.

Commissions and other acquisition expenses relating to unearned premiums are deferred and charged to the profit and loss account based on the average customer retention period.

##### **3.2 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance method. The estimated useful lives range as follows:

Depreciation is provided on the following bases:

Fixtures and fittings - 15% Reducing balance per annum  
Office equipment - 15% Reducing balance per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

**3.3 Operating leases: Lessee**

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

**3.4 Debtors**

Debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**3.5 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**3.6 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**3.7 Creditors**

Creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**3.8 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**3.9 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**3.10 Interest income**

Interest income is recognised in the Profit and loss account using the effective interest method.

**3.11 Provisions for Liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

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3. ACCOUNTING POLICIES (continued)

3.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3.13 Insurance intermediary assets and liabilities

Insurance brokers usually act as an agent in placing the insurable risks of their clients with insurers and as such, generally, are not liable as principals for the amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities. This recognises that the insurance broker is entitled to retain the investment income on any cash flows arising from these transactions and is included as fiduciary investment income in the profit and loss account.

Debtors and creditors arising from a transaction between a client and insurers (e.g. a premium or a claim) are recorded simultaneously. Consequently, there is a high level of correlation between the totals reported in respect of insurance broking debtors and insurance broking creditors.

The position of the insurance broker as an agent means that generally the credit risk is borne by the principals. There can be circumstances where the insurance broker acquires credit risk – through statute, or through the act or omission of the insurance broker or one of the principals. There is much legal uncertainty surrounding the circumstances and the extent of such exposure and consequently they cannot be evaluated. Therefore, the total of the insurance broking debtors appearing in the balance sheet is not an indication of credit risk.

It is normal practice for insurance brokers to settle accounts with other intermediaries, clients, insurers and market settlement bureaux on a net basis. Thus, large changes in both insurance broking debtors and creditors can result from comparatively small cash settlements. For this reason, the totals of insurance broking debtors give no indication of future cash flows.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

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**4. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

The policies applied under FRS 102 are not materially different to old UK GAAP and have not impacted on equity or profit or loss.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the tangible fixed assets, and note 3.2 for the useful economic lives for each class of assets.

**5. ANALYSIS OF TURNOVER**

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Provision of insurances	4,417,717	4,243,245
Procurement of healthcare services	707,811	647,679
Other income	2,371	13,379
	<u>5,127,899</u>	<u>4,904,303</u>

All turnover arose within the United Kingdom.

All turnover relates to the rendering of services.

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**GENERAL & MEDICAL FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**6. OPERATING PROFIT**

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	16,776	17,236
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	7,175	6,200
Operating lease rentals	11,493	10,953

During the year, no director received any emoluments (2014 - £NIL).

**7. AUDITORS' REMUNERATION**

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	7,175	6,200
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Other services relating to taxation	2,400	925
Other non-audit services	2,530	4,109

**8. EMPLOYEES**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	541,719	486,211
Social security costs	47,376	42,097
Other pension costs	2,046	-
	591,141	528,308

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Operational staff	22	22
Management staff	2	2
	24	24

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**GENERAL & MEDICAL FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**9. INTEREST RECEIVABLE**

	2015 £	2014 £
Bank and other interest receivable	1,342	2,183
	<u>1,342</u>	<u>2,183</u>

**10. TAXATION**

	2015 £	2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	2,286	4,061
<b>Total current tax</b>	<u>2,286</u>	<u>4,061</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	156	3,437
<b>Total deferred tax</b>	<u>156</u>	<u>3,437</u>
<b>Taxation on profit on ordinary activities</b>	<u>2,442</u>	<u>7,498</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 21%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>10,365</u>	<u>36,009</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 21%)	2,073	7,562
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	369	415
Depreciation exceeded by capital allowances	(156)	(3,713)
Changes in provisions leading to an increase in the tax charge	156	3,437
Change in rate of tax charge	-	(203)
<b>Total tax charge for the year</b>	<u>2,442</u>	<u>7,498</u>

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**GENERAL & MEDICAL FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. TAXATION (continued)****FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**11. DIVIDENDS**

	2015 £	2014 £
Dividends paid on equity capital	25,000	-
	<u>25,000</u>	<u>-</u>

**12. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>			
At 1 January 2015	169,562	262,531	432,093
Additions	-	14,281	14,281
<b>At 31 December 2015</b>	<u>169,562</u>	<u>276,812</u>	<u>446,374</u>
<b>Depreciation</b>			
At 1 January 2015	136,258	198,113	334,371
Charge owned for the period	4,993	11,783	16,776
<b>At 31 December 2015</b>	<u>141,251</u>	<u>209,896</u>	<u>351,147</u>
<b>Net book value</b>			
<b>At 31 December 2015</b>	<u>28,311</u>	<u>66,916</u>	<u>95,227</u>
At 31 December 2014	<u>33,304</u>	<u>64,418</u>	<u>97,722</u>

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**GENERAL & MEDICAL FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. DEBTORS**

	2015 £	2014 £
<b>Due after more than one year</b>		
Other debtors	8,550	-
	<u>8,550</u>	<u>-</u>
	2015 £	2014 £
<b>Due within one year</b>		
Trade debtors	2,017,179	1,972,218
Amounts owed by group undertakings	462,737	462,737
Other debtors	7,403	19,093
Prepayments and accrued income	151,337	94,638
	<u>2,638,656</u>	<u>2,548,686</u>

Amounts owed by group undertakings are unsecured, have no fixed rate of payment or interest rate and are payable on demand.

**14. CASH AND CASH EQUIVALENTS**

	2015 £	2014 £
Cash at bank and in hand	239,045	341,777
Less: bank overdrafts	(374,008)	(436,663)
	<u>(134,963)</u>	<u>(94,886)</u>

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**GENERAL & MEDICAL FINANCE LIMITED**

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**15. CREDITORS: Amounts falling due within one year**

	2015 £	2014 £
Bank overdrafts	374,008	436,663
Amounts owed to group undertakings	79,673	44,251
Corporation tax	2,286	4,061
Other taxation and social security	13,705	12,871
Other creditors	9,242	8,713
Accruals and deferred income	2,041,074	2,003,214
	<u>2,519,988</u>	<u>2,509,773</u>

Amounts owed to group undertakings are unsecured, have no fixed rate of payment or interest rate and are payable on demand.

**16. FINANCIAL INSTRUMENTS**

	2015 £	2014 £
<b>Financial assets</b>		
Financial assets measured at undiscounted amount receivable.	2,495,869	2,454,049
	<u>2,495,869</u>	<u>2,454,049</u>
<b>Financial liabilities</b>		
Financial liabilities measured at undiscounted amount payable	(462,923)	(489,627)
	<u>(462,923)</u>	<u>(489,627)</u>

Financial assets measured at undiscounted amount receivable comprise trade debtors, amounts owed by group undertakings, other debtors due within one year and other debtors due after more than one year.

Financial liabilities measured at undiscounted amount payable comprise bank overdrafts, amounts owed to group undertakings and other creditors.

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**GENERAL & MEDICAL FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. DEFERRED TAXATION**

	Deferred tax £
At 1 January 2015	13,733
Charged to the profit or loss	156
<b>At 31 December 2015</b>	<b>13,889</b>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	13,889	13,733
	<b>13,889</b>	<b>13,733</b>

**18. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	50,000	50,000

The company has one class of ordinary shares.

Each ordinary share has equal voting and distribution rights, including repayment of capital in the event of winding up.

**19. RESERVES****Profit and loss account**

The profit and loss reserve represents cumulative profit or losses, net of dividends paid and other adjustments.

**20. PENSION COMMITMENTS**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £2,046 (2014 - £nil). There were no outstanding or prepaid contributions at the balance sheet date (2014 - £nil).

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**GENERAL & MEDICAL FINANCE LIMITED**

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**21. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
<b>Other operating leases</b>		
Not later than 1 year	15,324	10,953
<b>Total</b>	<u>15,324</u>	<u>10,953</u>

**22. RELATED PARTY TRANSACTIONS**

The company was under the ultimate control of the directors, Mr D A 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 amount due to the directors totalled £8,713 (2014: £8,713). Interest has not been charged on this loan (2014: £nil). This balance is included within other creditors.

As the company is a wholly owned subsidiary of General and Medical Securities Limited, the company has taken advantage of the exemption contained in FRS 102 section 33 and therefore has not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of General and Medical Securities Limited, within which the company is included, can be obtained from Companies House.

The directors who are also the key management personnel of the company, only received remuneration from the immediate and ultimate parent company, General and Medical Securities Limited.

**23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's immediate and ultimate parent company is General and Medical Securities Limited, a company registered in the UK.

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

The ultimate controlling parties are Mr D A Wildman and Mrs G Wildman.

NOTES TO THE FINANCIAL STATEMENTS  
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**24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company uses financial instruments such as cash, trade receivables and trade payables in order to raise finance for the company's operations. The existence of these instruments exposes the company to financial risks which are detailed below;

*Liquidity risk*

The company manages its cash requirements to optimise interest income and minimise expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of its business.

*Interest rate risk*

The company is exposed to cash flow interest rate risk on floating rate deposits.

*Credit risk*

Investments of cash surpluses are made through banks and companies which must fulfil credit rating criteria approved by a director.

Receivable balances are monitored on an on-going basis and provision is made for doubtful debts where necessary.

**25. FIRST TIME ADOPTION OF FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

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GENERAL & MEDICAL FINANCE LIMITED

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