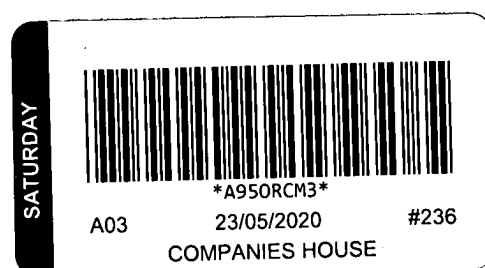


Registered number: 02421641

## **GENERAL & MEDICAL FINANCE LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



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**GENERAL & MEDICAL FINANCE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr D A Wildman Mrs G Wildman
<b>Company secretary</b>	Mrs G Wildman
<b>Registered number</b>	02421641
<b>Registered office</b>	General & Medical House Napier Place Peterborough PE2 6XN
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 1 The Forum Minerva Business Park Lynch Wood Peterborough PE2 6FT

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**GENERAL & MEDICAL FINANCE LIMITED**

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Balance Sheet	8
Statement of Changes in Equity	9
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## **GENERAL & MEDICAL FINANCE LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the financial statements for the year ended 31 December 2019.

#### **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 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements 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;
- 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 to 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 are as follows:

- i) Provision of private health insurance for individuals, associations and companies
- ii) Provision of accident & health insurance
- iii) Provision of commercial insurances
- iv) Sport related insurances
- v) Worldwide travel insurance
- vi) Procurement of healthcare & medical services

#### **Directors**

The directors who served during the year were:

Mr D A Wildman  
Mrs G Wildman

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## GENERAL & MEDICAL FINANCE LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Financial instruments

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 and fixed term deposits.

##### *Credit risk*

Investments of cash surpluses are made through banks and companies which must fulfil a high credit rating as declared by a range of International rating agencies and then approved by a director.

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

#### 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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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.

#### 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.

#### Small companies note

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

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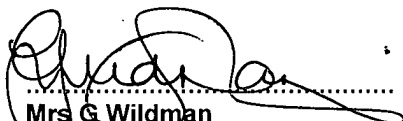
**GENERAL & MEDICAL FINANCE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

  
.....  
**Mrs G Wildman**  
Company secretary

Date: 22/4/20

General & Medical House  
Napier Place  
Peterborough  
PE2 6XN

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## **GENERAL & MEDICAL FINANCE LIMITED**

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

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#### **Opinion**

We have audited the financial statements of General & Medical Finance Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

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**GENERAL & MEDICAL FINANCE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENERAL & MEDICAL FINANCE LIMITED  
(CONTINUED)**

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misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



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**GENERAL & MEDICAL FINANCE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENERAL & MEDICAL FINANCE LIMITED  
(CONTINUED)**

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.



Andrew Moyser FCCA FCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants

Statutory Auditors

1 The Forum  
Minerva Business Park  
Lynch Wood  
Peterborough  
PE2 6FT

Date: 20/5/20

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**GENERAL & MEDICAL FINANCE LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Note	2019 £	As restated 2018 £
Turnover	4	9,275,737	7,470,526
Cost of sales		(7,361,559)	(5,670,893)
<b>Gross profit</b>		<b>1,914,178</b>	<b>1,799,633</b>
Administrative expenses		(1,488,472)	(1,603,553)
<b>Operating profit</b>	5	<b>425,706</b>	<b>196,080</b>
Interest receivable and similar income	8	729	318
<b>Profit before tax</b>		<b>426,435</b>	<b>196,398</b>
Tax on profit	9	21,811	(39,386)
<b>Profit for the financial year</b>		<b>448,246</b>	<b>157,012</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).


The notes on pages 10 to 24 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	As restated 2018 £
<b>Fixed assets</b>			
Intangible assets	11	569,738	382,355
Tangible assets	12	65,302	74,659
		<u>635,040</u>	<u>457,014</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	4,215,662	3,488,586
Cash at bank and in hand	14	173,466	389,068
		<u>4,389,128</u>	<u>3,877,654</u>
Creditors: amounts falling due within one year	15	(3,954,042)	(3,470,175)
<b>Net current assets</b>		<u>435,086</u>	<u>407,479</u>
<b>Total assets less current liabilities</b>		<u>1,070,126</u>	<u>864,493</u>
<b>Provisions for liabilities</b>			
Deferred tax	16	(116,736)	(82,349)
		<u>(116,736)</u>	<u>(82,349)</u>
<b>Net assets</b>		<u>953,390</u>	<u>782,144</u>
<b>Capital and reserves</b>			
Called up share capital	17	50,000	50,000
Profit and loss account	18	903,390	732,144
		<u>953,390</u>	<u>782,144</u>

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

  
 .....  
**Mr D A Wildman**  
 Director 22/4/20

The notes on pages 10 to 24 form part of these financial statements.

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**GENERAL & MEDICAL FINANCE LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018 (as previously stated)	50,000	412,097	462,097
Prior year adjustment	-	163,035	163,035
At 1 January 2018 (as restated)	50,000	575,132	625,132
Comprehensive income for the year			
Profit for the year	-	157,012	157,012
Total comprehensive income for the year	-	157,012	157,012
At 1 January 2019 (as previously stated)	50,000	422,437	472,437
Prior year adjustment	-	309,707	309,707
At 1 January 2019 (as restated)	50,000	732,144	782,144
Comprehensive income for the year			
Profit for the year	-	448,246	448,246
Total comprehensive income for the year	-	448,246	448,246
Dividends: Equity capital	-	(277,000)	(277,000)
At 31 December 2019	50,000	903,390	953,390

The notes on pages 10 to 24 form part of these financial statements.

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## GENERAL & MEDICAL FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. General information

General & Medical Finance Limited ("the Company") is a private company limited by shares incorporated in England and Wales under the Companies Act.

The registered number and address of the registered office is given in the Company information.

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

The functional and presentational currency of the Company is pounds sterling (£) and rounded to the nearest £.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 3).

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of General & Medical Securities Limited as at 31 December 2019 and these financial statements may be obtained from Companies House.

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## GENERAL & MEDICAL FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.3 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 (premiums) from customers with cost of sales being payments to fellow 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 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 Statement of comprehensive income based on the average customer retention period.

##### 2.4 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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, on a reducing balance basis.

Depreciation is provided on the following basis:

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 in the Statement of Comprehensive Income.

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## GENERAL & MEDICAL FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.5 Debtors

Short term 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.

##### 2.6 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.

##### 2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives which if a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### 2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of Comprehensive Income.

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

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## GENERAL & MEDICAL FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.8 Financial instruments (continued)

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 of the recoverable amount, 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.

##### 2.9 Creditors

Short term 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.

##### 2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

##### 2.11 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 payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income 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.

##### 2.12 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.



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## GENERAL & MEDICAL FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge 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 tax 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Research and development tax credits are recognised in the year in which they are incurred and are matched against the related claim.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.14 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 Statement of comprehensive income.

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.

**2.15 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.16 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.

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## GENERAL & MEDICAL FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The following are the critical estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### **Key source of estimation uncertainty - Determining residual values and useful economic lives of property, plant and equipment**

The Company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgment is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value, management aim to assess the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

##### **Key source of estimation uncertainty - Recoverability of receivables**

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability, the directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

#### 4. Turnover

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

	2019	As restated 2018
	£	£
Provision of insurances	6,559,195	5,728,599
Procurement of healthcare services	512,947	667,779
Other income	2,203,595	1,074,148
	<u>9,275,737</u>	<u>7,470,526</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 2019**

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**5. Operating profit**

The operating profit is stated after charging:

	2019 £	As restated 2018 £
Depreciation of tangible fixed assets	11,156	12,778
Operating lease rentals - Other	2,524	14,331
Operating lease rentals - Property	54,000	49,500
Defined contribution pension cost	28,869	16,928
Exchange differences	1,787	3,609
Amortisation of intangible assets	54,576	31,833

**6. Auditor's remuneration**

	2019 £	2018 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	4,767	4,453

**Fees payable to the Company's auditor in respect of:**

Audit-related assurance services	4,400	-
Taxation compliance services	2,245	1,650
Other services relating to taxation	7,674	900
All other services	3,402	5,119
	17,721	7,669

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**GENERAL & MEDICAL FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**7. Employees**

Staff costs were as follows:

	2019 £	As restated 2018 £
Wages and salaries	850,211	821,577
Social security costs	75,896	78,520
Cost of defined contribution scheme	22,663	13,597
	<u>948,770</u>	<u>913,694</u>

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

	2019 No.	2018 No.
Operational staff	35	32
Management staff	2	2
	<u>37</u>	<u>34</u>

**8. Interest receivable**

	2019 £	2018 £
Other interest receivable	<u>729</u>	<u>318</u>

## GENERAL & MEDICAL FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 9. Taxation

	2019 £	As restated 2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	(7,344)	6,145
Adjustments in respect of previous periods	(48,854)	-
<b>Total current tax</b>	<b>(56,198)</b>	<b>6,145</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	34,387	33,241
<b>Taxation on (loss)/profit on ordinary activities</b>	<b>(21,811)</b>	<b>39,386</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	As restated 2018 £
Profit on ordinary activities before tax	426,435	196,398
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	81,023	37,316
<b>Effects of:</b>		
Non-tax deductible amortisation of other intangibles	10,369	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,960	1,933
Depreciation in excess of capital allowances	1,547	1,215
Adjustments to tax charge in respect of prior periods	(48,854)	-
Increase in pension fund creditor leading to an increase in tax	1,214	-
Other differences leading to an increase in taxation	2,279	-
Adjustment in research and development tax credit leading to a decrease in the tax charge	(105,736)	-
Loss on disposal of tangible assets	-	86
Origination and reversal of timing differences	34,387	33,241
Affect of prior year adjustment	-	(34,405)
<b>Total tax charge for the year</b>	<b>(21,811)</b>	<b>39,386</b>

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**GENERAL & MEDICAL FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**9. Taxation (continued)****Factors that may affect future tax charges**

The Finance Act 2017 provides for the main rate of corporation tax to be reduced from 19% to 17% from 1 April 2020. The 17% rate had been substantively enacted at the Balance Sheet date however the government has subsequently announced that the rate is due to remain at 19%, however this has not been substantively enacted. As a result, the rate of 17% has been applied in the measurement of the Company's deferred tax liabilities as at 31 December 2019.

**10. Dividends**

	2019 £	2018 £
Ordinary dividends	<u>277,000</u>	<u>-</u>

**11. Intangible assets**

	Development expenditure £
<b>Cost</b>	
Prior Year Adjustment	<u>424,782</u>
At 1 January 2019 (as restated)	<u>424,782</u>
Additions	<u>241,959</u>
At 31 December 2019	<u>666,741</u>
<b>Amortisation</b>	
Prior Year Adjustment	<u>42,427</u>
At 1 January 2019 (as restated)	<u>42,427</u>
Charge for the year	<u>54,576</u>
At 31 December 2019	<u>97,003</u>
<b>Net book value</b>	
At 31 December 2019	<u>569,738</u>
At 31 December 2018 (as restated)	<u>382,355</u>

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**GENERAL & MEDICAL FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**12. Tangible fixed assets**

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>			
At 1 January 2019	170,492	276,641	447,133
Additions	693	1,106	1,799
At 31 December 2019	<u>171,185</u>	<u>277,747</u>	<u>448,932</u>
<b>Depreciation</b>			
At 1 January 2019	152,467	220,007	372,474
Charge for the year on owned assets	2,769	8,387	11,156
At 31 December 2019	<u>155,236</u>	<u>228,394</u>	<u>383,630</u>
<b>Net book value</b>			
At 31 December 2019	<u>15,949</u>	<u>49,353</u>	<u>65,302</u>
At 31 December 2018	<u>18,025</u>	<u>56,634</u>	<u>74,659</u>

**13. Debtors**

	2019 £	2018 £
Trade debtors	3,110,924	2,674,590
Amounts owed by group undertakings	468,212	463,492
Other debtors	56,569	43,281
Prepayments and accrued income	579,957	307,223
	<u>4,215,662</u>	<u>3,488,586</u>

Amounts owed by group undertakings are unsecured, are interest free and are repayable on demand.



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**GENERAL & MEDICAL FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**14. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	173,466	389,068
Less: bank overdrafts	(529,033)	(539,286)
	<u>(355,567)</u>	<u>(150,218)</u>

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

	2019 £	2018 £
Bank overdrafts	529,033	539,286
Amounts owed to group undertakings	166,556	109,732
Corporation tax	-	6,144
Other taxation and social security	29,514	29,751
Other creditors	6,389	-
Accruals and deferred income	3,222,550	2,785,262
	<u>3,954,042</u>	<u>3,470,175</u>

Amounts owed to group undertakings are unsecured, are interest free and are repayable on demand.

**16. Deferred taxation**

	2019 £	As restated 2018 £
At beginning of year	82,349	49,108
Charged to profit or loss	34,387	33,241
At end of year	<u>116,736</u>	<u>82,349</u>

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**GENERAL & MEDICAL FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**16. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	2019 £	As restated 2018 £
Accelerated capital allowances	8,485	9,701
Other timing differences	108,251	72,648
	<u>116,736</u>	<u>82,349</u>

**17. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

**18. Reserves****Profit and loss account**

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

**19. Prior year adjustment**

A prior year adjustment has been made to introduce an intangible asset being development costs. The tax computations were revisited from a research & development perspective and this is how this intangible asset has come to light.

As a result, an intangible asset has been brought into these financial statements at note 11 at a net book value of £382,355, being a brought forward cost of £424,782 and accumulated amortisation brought forward of £42,427. Furthermore, an increase to the deferred tax liability brought forward of £72,648 has resulted following the introduction of this intangible asset. This has resulted in an overall increase in the profit and loss account brought forward at 1 January 2019 of £309,707 to £732,144.

Furthermore, during the year the Directors have taken the view that Turnover in respect of the London branch is not undertaken as an agent and as such the financial statements have been restated to show such Turnover on a gross basis within the Statement of Comprehensive Income. This has resulted in Turnover for 2018 changing from £6,475,665 to £7,470,526 and Cost of sales for 2018 changing from £4,676,032 to £5,670,893.

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## GENERAL & MEDICAL FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 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 £28,869 (2018: £16,928).

Contributions totalling £6,389 (2018: £nil) were payable to the fund at the Balance Sheet date and are included within other creditors falling due within one year.

#### 21. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	17,286	17,409
Later than 1 year and not later than 5 years	1,262	-
	<u>18,548</u>	<u>17,409</u>

#### 22. Related party transactions

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 33.1A Related Party Disclosures, and has therefore not disclosed transactions or balances with wholly owned entities which form part of its Group.

The consolidated financial statements of General And Medical Securities Limited, within which the Company is included, are publicly available at 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 England and Wales which holds all of the issued ordinary shares in this Company.

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