

Company Registration No. 02421641 (England and Wales)

**GENERAL & MEDICAL FINANCE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# GENERAL & MEDICAL FINANCE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D A Wildman Mrs G Wildman
<b>Secretary</b>	Mrs G Wildman
<b>Company number</b>	02421641
<b>Registered office</b>	General & Medical House Napier Place Peterborough Cambridgeshire United Kingdom PE2 6XN
<b>Auditor</b>	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP

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# **GENERAL & MEDICAL FINANCE LIMITED**

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# **GENERAL & MEDICAL FINANCE LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the company are administering the:

- 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 held office during the year and up to the date of signature of the financial statements were as follows:

Mr D A Wildman  
Mrs G Wildman

#### **Financial instruments**

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

#### ***Liquidity risk***

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

#### ***Interest rate risk***

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The company uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

#### ***Credit risk***

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

#### **Auditor**

Azets Audit Services were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# **GENERAL & MEDICAL FINANCE LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

Mrs G Wildman  
**Secretary**

4 May 2022

# GENERAL & MEDICAL FINANCE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER 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 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 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 *Auditor's 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

## **GENERAL & MEDICAL FINANCE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF GENERAL & MEDICAL FINANCE LIMITED**

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##### **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 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 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

##### **Responsibilities of directors**

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, 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.

##### **Auditor's 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 auditor's 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **GENERAL & MEDICAL FINANCE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBER OF GENERAL & MEDICAL FINANCE LIMITED**

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##### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

##### **Use of our report**

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

**Mr Graham Jones BA FCA (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

9 May 2022

**Chartered Accountants**  
**Statutory Auditor**

Ruthlyn House  
90 Lincoln Road  
Peterborough  
United Kingdom  
PE1 2SP



## GENERAL & MEDICAL FINANCE LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
<b>Gross transactional value</b>		12,345,092	10,505,369
Commissions received	3	2,600,799	2,378,977
Cost of sales		(647,933)	(453,548)
<b>Gross profit</b>		1,952,866	1,925,429
Administrative expenses		(1,269,459)	(1,319,384)
<b>Operating profit</b>	4	683,407	606,045
Interest receivable and similar income	6	1,791	583
<b>Profit before taxation</b>		685,198	606,628
Tax on profit	7	(31,098)	(43,004)
<b>Profit for the financial year</b>		654,100	563,624

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# GENERAL & MEDICAL FINANCE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	9	773,640		666,872	
Tangible assets	10	47,727		55,807	
			821,367		722,679
<b>Current assets</b>					
Debtors	11	4,652,840		4,254,049	
Cash at bank and in hand		723,085		329,593	
		5,375,925		4,583,642	
<b>Creditors: amounts falling due within one year</b>	12	(4,541,295)		(3,971,420)	
<b>Net current assets</b>			834,630		612,222
<b>Total assets less current liabilities</b>			1,655,997		1,334,901
<b>Provisions for liabilities</b>					
Deferred tax liability	14	153,405		134,409	
			(153,405)		(134,409)
<b>Net assets</b>			1,502,592		1,200,492
<b>Capital and reserves</b>					
Called up share capital	16	50,000		50,000	
Profit and loss reserves		1,452,592		1,150,492	
<b>Total equity</b>		1,502,592		1,200,492	

The financial statements were approved by the board of directors and authorised for issue on 4 May 2022 and are signed on its behalf by:

Mr D A Wildman  
Director

Company Registration No. 02421641

# GENERAL & MEDICAL FINANCE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 January 2020</b>		50,000	853,868	903,868
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	563,624	563,624
Dividends	8	-	(267,000)	(267,000)
<b>Balance at 31 December 2020</b>		50,000	1,150,492	1,200,492
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year		-	654,100	654,100
Dividends	8	-	(352,000)	(352,000)
<b>Balance at 31 December 2021</b>		50,000	1,452,592	1,502,592

# GENERAL & MEDICAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

General & Medical Finance Limited is a private company limited by shares incorporated in England and Wales. The registered office is General & Medical House, Napier Place, Peterborough, Cambridgeshire, United Kingdom, PE2 6XN.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of General and Medical Securities Limited as at 31 December 2021. These consolidated financial statements are available from Companies House..

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# GENERAL & MEDICAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

##### Gross transactional value

Gross transactional value relates to the full revenue charged to customers in respect of insurance prior to any amounts paid to the underwriter.

##### Revenue

Revenue represents net retained brokerage and profit commission arising on the placement of insurance contracts by the Company.

Brokerage is recognised when the Company's contractual right to such income is established, and to the extent that the Company's relevant obligation under the contracts concerned have been performed. For most of the Company's broking activities, this means that brokerage is recognised at the inception of the underlying contract of the insurance concerned. To the extent that the Company is contractually obliged to provide services after this date, a proportion of income is deferred and recognised over the life of the relevant contracts to ensure that revenue appropriately reflects the cost of fulfilling those obligations.

Profit commission is a commission paid by an insurer based on the overall profitability of the business placed during a particular period and is determined after the period. Where it is possible to reasonably estimate the profit commission revenue, the revenue is recognised on an earned basis after making allowances for future and ongoing claims based on the terms of the profit commission arrangements, net of any associated profit commission paid by the Company to a third party.

Due to the fact that the Company's role is that of an agent, included within insurance debtors and accruals and deferred income represents the full transaction values of insurance which will be collected by the Company post year end of which the relevant amounts will be paid over to the insurer. This is further explained in accounting

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	10 years
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#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	15% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

## GENERAL & MEDICAL FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# GENERAL & MEDICAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# GENERAL & MEDICAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 1.15 Cost of sales

Commissions payable are included in cost of sales. 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.

#### 1.16 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 life 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.



# GENERAL & MEDICAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.17 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 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 are recorded simultaneously. consequently, there is a high level of correlation between the total reported in respect of the 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 that 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 cheques in both insurance broking debtors and creditors can result from comparatively small cash settlements. For this reason, the totals of insurance debtors give no indication of future cash flows.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Commissions receivable	2,278,318	2,205,922
Procurement of healthcare services	19,204	18,346
Other income	303,277	154,709
	<u>2,600,799</u>	<u>2,378,977</u>
	<u>2,600,799</u>	<u>2,378,977</u>
	2021	2020
	£	£
<b>Other significant revenue</b>		
Interest income	1,791	583
	<u>1,791</u>	<u>583</u>

# GENERAL & MEDICAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	8,080	9,495
Amortisation of intangible assets	103,321	70,856
Operating lease charges	47,683	63,671
	<u>          </u>	<u>          </u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Operational staff	32	34
Management staff	2	2
	<u>          </u>	<u>          </u>
Total	34	36
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	760,003	809,198
Social security costs	63,275	71,923
Pension costs	24,222	23,425
	<u>          </u>	<u>          </u>
	847,500	904,546
	<u>          </u>	<u>          </u>

### 6 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	1,791	583
	<u>          </u>	<u>          </u>

### 7 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	14,857	-
Adjustments in respect of prior periods	(2,755)	13,713
	<u>          </u>	<u>          </u>
Total current tax	12,102	13,713
	<u>          </u>	<u>          </u>

# GENERAL & MEDICAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Taxation (Continued)

	2021 £	2020 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	18,996	29,291
	<u>          </u>	<u>          </u>
Total tax charge	31,098	43,004
	<u>          </u>	<u>          </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	685,198	606,628
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	130,188	115,259
Tax effect of expenses that are not deductible in determining taxable profit	598	2,055
Group relief	(43,147)	(28,145)
Depreciation on assets not qualifying for tax allowances	1,380	1,615
Amortisation on assets not qualifying for tax allowances	19,631	13,463
Research and development tax credit	(93,703)	(104,411)
Other non-reversing timing differences	(90)	164
Under/(over) provided in prior years	(2,755)	13,713
Deferred tax adjustments in respect of prior years	18,996	29,291
	<u>          </u>	<u>          </u>
Taxation charge for the year	31,098	43,004
	<u>          </u>	<u>          </u>

### 8 Dividends

	2021 £	2020 £
Final paid	352,000	267,000
	<u>          </u>	<u>          </u>

## GENERAL & MEDICAL FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 9 Intangible fixed assets

	Software £
<b>Cost</b>	
At 1 January 2021	823,125
Additions	210,089
	<hr/>
At 31 December 2021	1,033,214
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2021	156,253
Amortisation charged for the year	103,321
	<hr/>
At 31 December 2021	259,574
	<hr/>
<b>Carrying amount</b>	
At 31 December 2021	773,640
	<hr/>
At 31 December 2020	666,872
	<hr/>

The individual intangible assets which are material to the financial statements are as follows:

#### Computer software

2017	£99,322	5.5 years remaining amortisation period
2018	£127,270	6.5 years remaining amortisation period
2019	£163,207	7.5 years remaining amortisation period
2020	£194,761	8.5 years remaining amortisation period
2021	£189,080	9.5 years remaining amortisation period

# GENERAL & MEDICAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	448,932
<b>Depreciation and impairment</b>	
At 1 January 2021	393,125
Depreciation charged in the year	8,080
At 31 December 2021	401,205
<b>Carrying amount</b>	
At 31 December 2021	47,727
At 31 December 2020	55,807

### 11 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,215,246	3,000,149
Amounts owed by group undertakings	476,600	460,211
Prepayments and accrued income	960,994	793,689
	4,652,840	4,254,049

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

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

	Notes	2021 £	2020 £
Bank loans and overdrafts	13	766,560	628,464
Amounts owed to group undertakings		225,994	202,845
Corporation tax		18,306	13,712
Other taxation and social security		25,141	27,057
Other creditors		6,780	7,253
Accruals and deferred income		3,498,514	3,092,089
		4,541,295	3,971,420

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

# GENERAL & MEDICAL FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Loans and overdrafts

	2021 £	2020 £
Bank overdrafts	766,560	628,464
Payable within one year	766,560	628,464

### 14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Accelerated capital allowances	7,701	9,082
Short term timing differences	(1,288)	(1,378)
Intangible assets timing differences	146,992	126,705
	153,405	134,409
<b>Movements in the year:</b>		2021 £
Liability at 1 January 2021		134,409
Charge to profit or loss		18,996
Liability at 31 December 2021		153,405

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 15 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	24,222	23,425

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

## GENERAL & MEDICAL FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

#### 16 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	50,000	50,000	50,000	50,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### 17 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	31,080	-
	<u>          </u>	<u>          </u>

#### 18 Related party transactions

The company has taken advantage of the exemption contained in FRS102 section 33.1A Related Party Disclosures, as it is a wholly owned subsidiary of General and Medical Securities Limited, and has therefore not disclosed transactions or balances with wholly owned entities which form part of its Group.

The consolidated financial statements of the parent, within which the company is included, are publically available at Companies House.

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

#### 19 Ultimate controlling party

The company's immediate and ultimate parent company is General and Medical Securities Limited and the registered office is General & Medical House, Napier Place, Peterborough, PE2 6XN.

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.