

MEDICAL CARE DIRECT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2009

(Registered Number 4119418)

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MEDICAL CARE DIRECT LIMITED

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MEDICAL CARE DIRECT LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2009

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the company is the sourcing of private medical treatment for private individuals insurers and trust fund administrators. The company generated £145k of revenues compared to £126k in 2008. The cost base of the business has risen compared to 2008 primarily due to headcount and premises costs following the office move later in 2008.

DIVIDENDS

No dividends were paid or received during the year ended 31 December 2009.

DIRECTORS

The Directors who served during the year were

M Jones

A C Robinson (appointed 1st January 2009)

J E Lawson

Mr A C Robinson is also a Director of Skipton Group Holdings Limited.

The interests in the shares of the group companies are not required to be recorded in the register maintained by this company.

Other Directors of the company as at 31 December 2009 had no other interests in the shares of any other group undertaking at any time during the year.

CREDITOR PAYMENT POLICY

It is the Company's policy to agree payment terms and conditions in advance of the supply of goods and endeavour to conform to those payment terms.

POLITICAL AND CHARITABLE DONATIONS

The company did not make any charitable or political donations during the year (2008 nil).

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors Report confirm that so far as they are each aware there is no relevant audit information of which the company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board

G Davidson
Group Secretary

1st February 2010

Medical Care Direct Limited
The Bailey
Skipton
North Yorkshire
BD23 1DN

MEDICAL CARE DIRECT LIMITED

Statement of Directors responsibilities in respect of the Directors Report and the financial statements

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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MEDICAL CARE DIRECT LIMITED

Independent Auditors' Report to the Members of Medical Care Direct LTD

We have audited the financial statements of Medical Care Direct LTD for the year ended 31st December 2009 set out on pages 4 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

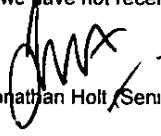
Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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


Jonathan Holt (Senior Statutory Auditor) for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

1st February 2010

MEDICAL CARE DIRECT LIMITED

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Revenue	1	145,175	125,512
Cost of Sales		-	-
Gross Profit		145,175	125,512
Administrative expenses		(301,394)	(185,859)
Loss from operations	2	(156,219)	(60,347)
Investment income	3	138	4,327
Finance income/(costs)	4	3,006	(8,957)
Loss before Tax		(153,075)	(64,977)
Tax credit	6	43,785	18,293
Loss for the Period		(109,290)	(46,684)

The loss for the current and comparative financial year was derived wholly from continuing operations

The statement of comprehensive income is prepared on an unmodified historical cost basis

The notes on pages 8 to 15 form part of these accounts

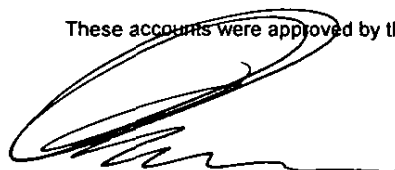
MEDICAL CARE DIRECT LIMITED

Statement of Financial Position

AS AT 31 DECEMBER 2009

	Notes	31 December 2009 £	31 December 2008 £
Current assets			
Trade and other receivables	7	215,124	161,338
Cash and cash equivalents	8	212,587	177,362
Corporation tax asset		21,558	15,945
		449,269	354,645
Non-current assets			
Property, plant and equipment	9	32,401	30,099
Deferred tax asset	10	912	5,150
		33,313	35,249
Total assets		482,582	389,894
Current liabilities			
Trade and other payables	11	631,410	429,432
		631,410	429,432
Total liabilities		631,410	429,432
Equity			
Share capital	12	11,250	11,250
Share premium		47,502	47,502
Reserves - Retained earnings		(207,580)	(98,290)
		(148,828)	(39,538)
Total equity and liabilities		482,582	389,894

These accounts were approved by the board of directors on 1st February 2010 and signed on its behalf by



J E Lawson
Director

M Jones
Director



The notes on pages 8 to 15 form part of these accounts

MEDICAL CARE DIRECT LIMITED

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2009

	Share Capital £	Retained Earnings £	Total Equity £
Balance at 1 January 2009	58,752	(98,290)	(39,538)
Profit for the period	-	(109,290)	(109,290)
Balance at 31 December 2009	58,752	(207,580)	(148,828)
Balance at 1 January 2008	58,752	(51,606)	7,146
Profit for the period	-	(46,684)	(46,684)
Balance at 31 December 2008	58,752	(98,290)	(39,538)

MEDICAL CARE DIRECT LIMITED

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Cash Flows used in Operating Activities			
Loss from operations		(156,219)	(60,347)
Adjustments for			
Depreciation charges	9	10,232	5,457
Increase in trade and other receivables	7	(53,785)	(160,432)
Increase in trade and other payables	11	201,978	122,090
Interest paid	4	3,006	(8,957)
Taxation received/(paid)		42,410	(2,802)
Net cash used in operating activities		47,622	(104,991)
Cash Flows used in Investing Activities			
Interest Received	3	138	4,327
Purchases of property, plant and equipment	9	(12,534)	(34,022)
Net cash used in investing activities		(12,396)	(29,695)
Net increase/(decrease) in cash and cash equivalents		35,226	(134,686)
Cash and Cash equivalents at 1 January		177,361	312,047
Cash and cash equivalents at 31 December		212,587	177,361

MEDICAL CARE DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts

(a) Basis of accounting

The financial statements are presented in accordance with International Financial Reporting Standards (IFRSs) and its interpretations as adopted by the EU and effective at 31 December 2009

The Directors have adopted IAS 1 *Presentation of Financial Statements (2007)* IAS 23 *Borrowing Costs (Revised)*, Amendments to IFRS 7, *Improving Disclosures about Financial Instruments* and IFRS 8 *Operating Segments*

The Directors have not adopted IFRS 3, *Business Combinations (Revised)* and IAS 27 *Consolidated and Separate Financial Statements (Amended)* which although endorsed by the EU, are currently not mandatory

The accounting policies applied in 2009 are consistent with those applied in the previous year

The financial statements are drawn up under the historical cost convention and in accordance with applicable accounting standards

(b) Revenue Recognition

Revenue is recognised on the commencement of treatment

(c) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives on the following bases

Plant and equipment	-	3 - 5 years straight line
Fixtures and fittings	-	3 - 5 years straight line
Motor Vehicles	-	25% reducing balance

(d) Intangible assets

Intangible assets include software development costs and purchased software that in the opinion of the directors meets the definition of an intangible asset. Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the day they are available for use. The estimated useful lives are as follows

Purchased Software	3 years
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(e) Leases

A lease that transfers substantially all the risks and rewards of ownership of an asset is treated as a finance lease. The asset is recorded in the statement of financial position as an item of property, plant and equipment at an amount equal to the lower of its fair value and the present value of the minimum lease payments less accumulated depreciation and impairment losses. Rentals payable are apportioned between the finance element which is charged to the statement of comprehensive income and the capital element which reduces the outstanding obligation.

All other leases are accounted for as operating leases. Costs of operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

(f) Taxation

Income tax on the profits for the year comprises current tax and deferred tax. Income tax is recognised in the statement of comprehensive income except where items are recognised directly in equity in which case the associated income tax asset or liability is recognised via equity.

Current tax is the expected tax payable on the income for the year using tax rates enacted or substantially enacted on the statement of financial position date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, which recognises temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

(g) Pensions

The company operates a defined contribution pension scheme. Contributions for the year are charged to the statement of comprehensive income.

(h) Cash and cash equivalents

For the purpose of the statement of cash flows, cash comprises cash in hand and loans and advances to credit institutions repayable on demand and cash and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less.

The statement of cash flows has been prepared using the indirect method.

(i) Adoption of new and revised International Financial Reporting Standards

Disclosed below are new standards and interpretations which have been adopted during the year. IAS 1 *Presentation of Financial Statements (2007)* This standard replaces the current IAS 1, *Presentation of Financial Statements* and is effective from 1 January 2009. In summary, IAS 1 sets overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. This standard has impacted the presentation of the financial statements, however, it has not changed the recognition, measurement or disclosure of specific transactions and other events required by other IFRSs.

IAS 23 *Borrowing Costs (Revised)* This revised standard relates to interest costs on assets that take a substantial time to get ready for intended use or sale. This standard is effective from 1 January 2009. The option to recognise all borrowing costs immediately as an expense is eliminated; such costs must be capitalised. All other borrowing costs should be expensed as incurred. This has had no impact on these financial statements in 2009.

Amendment to IFRS 7 *Financial Instruments: Disclosures* The amendments to this standard were endorsed on 1 December 2009 and are effective from 1 January 2009. The amendment requires enhanced disclosures about fair value measurements and liquidity risk. This has had no impact on these financial statements in 2009.

IFRS 8, *Operating Segments* This new standard was issued on 30 November 2006 and replaces IAS14, *Segment Reporting*. In summary, this standard requires entities to report segmental information on the same basis it is reported internally to the Chief Operating Decision Maker which for the Skipton Group is the Board. This has had no impact on these financial statements in 2009.

MEDICAL CARE DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. Loss from operations

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Loss from operations has been arrived at after charging		
Depreciation of property, plant and equipment	10,232	5,458
Staff costs (see note 5)	163,055	87,075
Rentals payable under operating leases	26,790	9,144
Auditors' remuneration and expenses		
Audit services	3,000	3,000

3 Investment Income

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Interest on bank deposits	138	4,327
	138	4,327

4 Finance (income)/costs

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Interest on bank overdrafts and loans	(3,006)	8,957
	(3,006)	8,957

5 Staff numbers and costs

The average monthly number of persons employed by the company (including directors) during the period was as follow

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Directors	1	1
Other	4	1
	5	2

The aggregate payroll costs of these persons was as follows

	£	£
Wages and salaries	139,841	75,562
Social security costs	19,026	8,513
Other pension costs	4,188	3,000
	163,055	87,075

MEDICAL CARE DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6 Tax credit

A reconciliation of current tax on the profit on ordinary activities at the standard UK corporation tax rate to the actual current tax credit is as follows

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
a) Analysis of credit in the year at 28% (2008 28.5%)		
Current tax credit		
Current tax	(41,769)	(13,143)
Adjustment in respect of prior periods	(6,254)	-
Total current tax	(48,023)	(13,143)
Deferred tax credit		
Current year	(890)	(5,356)
Adjustment in respect of prior periods	5,128	121
Effect of changes in tax rates	-	85
Total deferred tax	4,238	(5,150)
Income tax credit	(43,785)	(18,293)

b) Factors affecting current tax credit in the year

The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows

Loss on ordinary activities before tax	(153,075)	(64,977)
Tax on loss on ordinary activities at UK standard rate of 28% (2008 28.5%)	(42,861)	(18,499)
Effects of		
- expenses not deductible for tax purposes	203	-
- adjustment to tax expense in respect of prior periods	(1,127)	121
- effects of other tax rates/credits	-	85
Income tax credit	(43,785)	(18,293)

MEDICAL CARE DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7 Trade and other receivables

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Trade debtors	195,756	149,177
Other debtors	1,900	5,075
Prepayments and accrued income	17,468	7,086
	215,124	161,338

Aged analysis of Trade and other receivables

	Less than 30 days	30-90 days	90 days +	Total
Trade debtors 2009	142,446	51,840	1,471	195,756
Trade debtors 2008	101,079	51,912	(3,814)	149,177

8 Cash and cash equivalents

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Funds received from clients	176,872	125,092
Firm's own money	35,715	52,270
	212,587	177,362

9 Property, plant and equipment

	Motor Vehicles £	Office Equipment £	Total £
Cost			
At 1 January 2009	25,450	14,630	40,080
Additions	-	12,534	12,534
Refund on cost	(450)	-	(450)
At 31 December 2009	25,000	27,164	52,164
Accumulated Depreciation and impairment			
At 1 January 2009	3,945	6,036	9,981
Depreciation charge for the year	5,098	5,134	10,232
Eliminated on refund	(450)	-	(450)
At 31 December 2009	8,593	11,170	19,763
Carrying amounts			
At 1 January 2009	21,505	8,594	30,099
At 31 December 2009	16,407	15,994	32,401

MEDICAL CARE DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9 Property, plant and equipment (continued)

	Motor Vehicles £	Office Equipment £	Total £
Cost			
At 1 January 2008	-	6,058	6,058
Additions	25,450	8,572	34,022
Disposals	-	-	-
At 31 December 2008	25,450	14,630	40,080
Accumulated Depreciation			
At 1 January 2008	-	4,524	4,524
Depreciation charge for the year	3,945	1,512	5,457
Eliminated on Disposals	-	-	-
At 31 December 2008	3,945	6,036	9,981
Carrying amounts			
At 1 January 2008	-	1,534	1,534
At 31 December 2008	21,505	8,594	30,099

10 Deferred tax

The movement on the deferred tax account is as shown below

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
At 1 January 2009	5,150	-
Deferred tax charge in statement of comprehensive income for the period	890	5,150
Adjustment in respect of prior years	(5,128)	-
At 31 December 2009	912	5,150
Deferred tax assets		
	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Accelerated capital allowances	912	(2)
Losses	-	5,152
At 31 December 2009	912	5,150

MEDICAL CARE DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

11 Trade and other payables

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Trade creditors	356,649	264,504
Amounts owed to parent	269,754	160,065
Other creditors	300	1,338
Accruals and deferred revenue	4,707	3,525
	631,410	429,432

12 Share Capital

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
Authorised		
125,000 Ordinary shares of £0.10 each	12,500	12,500
	12,500	12,500

	At 1 January 2009 £	Issued 2009 £	At 31 December 2009 £
Allotted, called up and fully paid			
112,500 Ordinary shares of £0.10 each	11,250	-	11,250
	11,250	-	11,250

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company

MEDICAL CARE DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13 Related Party Transactions

The Company has a related party relationship with
 The Private Health Partnership LTD
 Skipton Building Society (parent company of The Private Health Partnership LTD)
 Simon Lawson of Calamondin (brother to Chairman of Medical Care Direct)

All such transactions are placed at an arms length basis

During the periods to 31 December, the following related party transactions were entered into with related parties

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
(a) Interest receivable and payable		
The Private Health Partnership LTD - interest receivable and payable	3,288	(8,751)
	<u>3,288</u>	<u>(8,751)</u>
b) Purchase of services	£	£
The Private Health Partnership LTD - group shared services fee	41,676	25,731
The Private Health Partnership LTD - loans provided, excluding interest	266,466	129,565
Skipton Building Society - professional services	3,520	463
Calamondin - IT services	230	940
	<u>311,892</u>	<u>156,699</u>
c) Key Management compensation	£	£
Salaries and other short-term employee benefits	90,188	82,980
Post-employment benefits	4,187	2,790
	<u>94,375</u>	<u>85,770</u>
d) Outstanding Year-end balances		
Payables to related parties	£	£
The Private Health Partnership LTD	269,754	160,065
	<u>269,754</u>	<u>160,065</u>

'Key management personnel' comprise
 Malcolm Jones

There are no provisions in respect of sales of goods and services to Related Parties, either at 31 December 2008 or at 31 December 2009

MEDICAL CARE DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 Capital Commitments

The company has annual commitments due under operating leases. At the statement of financial position date these were as follows

	Year ended 31 December 2009 £	Year ended 31 December 2008 £
On leases expiring		
Within one year	26,790	26,790
Within two to five years	17,860	34,010
	44,650	60,800

15 Ultimate Parent Undertaking

The company is a 80% owned subsidiary of The Private Health Partnership Limited. The ultimate parent undertaking is Skipton Building Society, which is registered in the United Kingdom. A copy of the group annual report and accounts into which the results of this company are consolidated is available from -

The Secretary
Skipton Building Society
The Bailey
Skipton
North Yorkshire
BD23 1DN