


PRIVATE MEDICINE INTERMEDIARIES LIMITED

Report and Accounts

30 June 2002

 ERNST & YOUNG


JMA #JDM8BKJCK
COMPANIES HOUSE 0180
30/04/08

Private Medicine Intermediaries Limited

Registered Number 2009675

DIRECTORS

C P Baldwin

R D H Munro

D R Tresidder

M I Davis

E Hammond

S M Hackett

(appointed 27 September 2001)

S J Langan

(appointed 27 September 2001)

SECRETARY

R D H Munro

AUDITORS

Ernst & Young LLP

100 Barbirolli Square

Manchester

M2 3EY

BANKERS

National Westminster Bank PLC

23 Stamford New Road

Altrincham

Cheshire

WA14 1DB

REGISTERED OFFICE

The Courtyard

Hall Lane

Wincham

Cheshire

CW9 6DG

Private Medicine Intermediaries Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 2002.

RESULTS AND DIVIDENDS

The profit for the year after taxation, was £523,506 (2001: £329,103). The directors have paid an interim dividend amounting to £372,402. The directors recommend the payment of a final dividend of £4,000 leaving a profit of £147,104 which has been taken to reserves.

PRINCIPAL ACTIVITY

The company continues to act as a broker for medical insurance.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors are satisfied with the growth during the year under review and are confident of future success.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are shown on page 2.

None of the directors at 30 June 2002 had any interests in the share capital of the company.

The interests of the directors in the share capital of the parent company, PMI Health Group Limited (formerly Astorhold Limited) are disclosed in the accounts of that company.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board



R D H Munro
Secretary

Private Medicine Intermediaries Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

REPORT OF THE AUDITORS

to the members of Private Medicine Intermediaries Limited

We have audited the company's financial statements for the year ended 30 June 2002 which comprise Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.


Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
Manchester



Private Medicine Intermediaries Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2002

	<i>Notes</i>	2002 £	2001 £
TURNOVER	2	3,968,463	3,275,331
Administrative expenses		(3,260,285)	(2,826,203)
OPERATING PROFIT	3	708,178	449,128
Interest receivable	6	57,635	44,286
Interest payable	7	(12,042)	(12,636)
		45,593	31,650
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		753,771	480,778
Taxation	8	(230,265)	(151,675)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	523,506	329,103
Dividends - equity interim paid		372,402	372,402
- equity final proposal		4,000	-
	15	376,402	372,402
PROFIT/(LOSS) RETAINED FOR THE FINANCIAL YEAR		147,104	(43,299)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no other gains and losses in the year ended 30 June 2002 or the year ended 30 June 2001, other than as reported by the above profit and loss account.

Private Medicine Intermediaries Limited

BALANCE SHEET at 30 June 2002


	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible fixed assets	9	342,190	268,925
CURRENT ASSETS			
Debtors	10	1,152,571	1,087,253
Cash at bank and in hand		1,302,847	1,052,424
		2,455,418	2,139,677
CREDITORS: amounts falling due within one year	11	(1,647,192)	(1,426,022)
NET CURRENT ASSETS		808,226	713,655
TOTAL ASSETS LESS CURRENT LIABILITIES		1,150,416	982,580
CREDITORS: amounts falling due after more than one year	12	(80,298)	(59,566)
		1,070,118	923,014
CAPITAL AND RESERVES			
Called up share capital	14	688,790	688,790
Profit and loss account	15	381,328	234,224
EQUITY SHAREHOLDERS' FUNDS		1,070,118	923,014

Approved by the Board on 23 April 2003

C P Baldwin Director



R D H Munro Director



Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS

at 30 June 2002

1. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company in the preparation of the accounts has adopted FRS 19 "Deferred Tax" and has therefore provided for any deferred taxation in full. The impact of adopting the standard on the results to 30 June 2002 was an increase in profit of £5,935 (2001: £Nil).

Cashflow statement

The company has taken advantage of the exemption available under FRS 1 (revised) and does not present a cashflow statement.

Commission and fees

Commission and fees are brought into account on the date when the business is written.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset based on prices prevailing at the date of acquisition, over its expected useful life as follows:

Computer equipment	-	25% straight line
Motor vehicles	-	20% straight line
Fixtures, fittings and office equipment	-	25% straight line

Leasing and hire purchase contracts

Assets held under hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS

at 30 June 2002

1. ACCOUNTING POLICIES (continued)

Pensions

The company operates a defined contribution pension scheme. The company also makes contributions to selected individuals' personal pension schemes. Contributions are charged to the profit and loss account as they become payable.

2. TURNOVER

Turnover represents commissions and fees earned via insurance premium contracts. Turnover and pre-tax profit are derived entirely from operations within the United Kingdom.

3. OPERATING PROFIT

This is stated after charging the following:

	2002	2001
	£	£
Auditors' remuneration - audit services	9,300	9,200
Depreciation of owned assets	67,594	33,381
Depreciation of assets held under hire purchase contracts	55,235	57,151
Loss on sale of tangible fixed assets	11,710	5,875
Operating leases - land and buildings	69,896	61,050
	<u> </u>	<u> </u>

4. DIRECTORS' EMOLUMENTS

	2002	2001
	£	£
Total emoluments :		
Emoluments	394,056	243,642
Pension fund contributions	20,676	15,168
	<u>414,732</u>	<u>258,810</u>

	2002	2001
	No.	No.
Members of defined contribution pension schemes	3	3
	<u> </u>	<u> </u>

	2002	2001
	£	£
Highest paid director:		
Emoluments	92,312	87,619
Pension fund contributions	7,938	6,875
	<u>100,250</u>	<u>94,494</u>

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS

at 30 June 2002

5. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	1,896,324	1,607,364
Social security costs	169,791	161,969
Other pension costs	62,375	52,655
	<u>2,128,490</u>	<u>1,821,988</u>

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

	2002	2001
	No.	No.
Management and administration	63	58
Sales	23	21
	<u>86</u>	<u>79</u>

6. INTEREST RECEIVABLE

	2002	2001
	£	£
Bank interest	<u>57,635</u>	<u>44,286</u>

7. INTEREST PAYABLE

	2002	2001
	£	£
Finance charges payable under hire purchase contracts	<u>12,042</u>	<u>12,636</u>

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS

at 30 June 2002

8. TAXATION

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2002	2001
	£	£
UK corporation tax	237,000	151,000
Tax (over)/under provided in previous years	(800)	675
Total current tax (note 8 (b))	<u>236,200</u>	<u>151,675</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(5,935)	-
Total deferred tax (note 8 (c))	<u>(5,935)</u>	<u>-</u>
Tax on profit on ordinary activities	<u><u>230,265</u></u>	<u><u>151,675</u></u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2001 – 30%). The differences are reconciled below:

	2002	2001
	£	£
Profit on ordinary activities before taxation	753,771	480,778
Profit on ordinary activities multiplied by standard rate of tax	<u>226,131</u>	<u>144,233</u>
Expenses not allowable for tax purposes	10,500	8,696
Capital allowances in excess of depreciation	(84)	(1,929)
Other differences	453	-
(Over)/under provision in prior years	(800)	675
Total current tax (note 8 (a))	<u><u>236,200</u></u>	<u><u>151,675</u></u>

(c) Deferred tax asset

	<i>Provided</i>	<i>Unprovided</i>
	2002	2001
	£	£
Depreciation in excess of capital allowances	(5,935)	(6,019)
	<u>(5,935)</u>	<u>(6,019)</u>

A deferred tax asset has been provided on the basis that there will be future taxable profits against which the asset can be recovered.

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS

at 30 June 2002

9. TANGIBLE FIXED ASSETS

	<i>Computer equipment</i>	<i>Motor vehicles</i>	<i>Fixtures, fittings and equipment</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 1 July 2001	235,206	277,981	91,518	604,705
Additions	98,783	105,317	41,693	245,793
Disposals	(76,362)	(123,737)	(23,825)	(223,924)
At 30 June 2002	<u>257,627</u>	<u>259,561</u>	<u>109,386</u>	<u>626,574</u>
Depreciation:				
At 1 July 2001	149,343	119,795	66,642	335,780
Charge for the year	45,881	55,235	21,713	122,829
Disposals	(72,232)	(79,980)	(22,013)	(174,225)
At 30 June 2002	<u>122,992</u>	<u>95,050</u>	<u>66,342</u>	<u>284,384</u>
Net book value:				
At 30 June 2002	<u>134,635</u>	<u>164,511</u>	<u>43,044</u>	<u>342,190</u>
At 30 June 2001	<u>85,863</u>	<u>158,186</u>	<u>24,876</u>	<u>268,925</u>

Included in the net book value for motor vehicles above is £164,511 (2001: £158,186) relating to assets held under hire purchase contracts.

10. DEBTORS

	2002	2001
	£	£
Trade debtors	980,941	926,052
Amounts owed by fellow subsidiary	110,702	123,378
Prepayments and accrued income	16,088	10,883
Deferred taxation	5,935	-
Other debtors	38,905	26,940
	<u>1,152,571</u>	<u>1,087,253</u>

The amount owed by fellow subsidiary of £110,702 is due after more than one year (2001: £123,378).

Included in other debtors is an amount of £16,986 due from S Hackett who was appointed a director on 27 September 2001. The maximum amount outstanding during the year was £16,986.

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS

at 30 June 2002

11. CREDITORS: amounts falling due within one year

	2002	2001
	£	£
Obligations under hire purchase contracts (note 13)	74,240	65,854
Trade creditors	846,761	744,198
Amount owed to holding company	365,071	276,391
Corporation tax	124,200	151,000
Other taxes and social security	33,505	23,695
Accruals and sundry creditors	199,415	164,884
Proposed dividend	4,000	-
	<u>1,647,192</u>	<u>1,426,022</u>

12. CREDITORS: amounts falling due after more than one year

	2002	2001
	£	£
Obligations under hire purchase contracts (note 13)	80,298	59,566
	<u>80,298</u>	<u>59,566</u>

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

The analysis of these amounts is as follows:

	2002	2001
	£	£
Amounts payable:		
within one year	84,605	66,920
within two to five years	89,359	65,370
	<u>173,964</u>	<u>132,290</u>
Less: finance charges allocated to future periods	(18,796)	(6,870)
	<u>155,168</u>	<u>125,420</u>

Hire purchase contracts are analysed as follows:

Current obligations (note 11)	74,240	65,854
Non-current obligations (note 12)	80,928	59,566
	<u>155,168</u>	<u>125,420</u>

14. CALLED UP SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2002	2001	2002	2001
	No.	No.	£	£
Ordinary shares of £1 each	1,000,000	1,000,000	688,790	688,790
			<u>688,790</u>	<u>688,790</u>

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS

at 30 June 2002

15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£
At 1 July 2001	688,790	234,224	923,014
Profit for the year	-	523,506	523,506
Dividend	-	(376,402)	(376,402)
At 30 June 2002	<u>688,790</u>	<u>381,328</u>	<u>1,070,118</u>

16. PENSION COMMITMENTS

The company pays pension contributions to personal pensions of selected employees. The personal pensions are arranged with an insurance company separate to the business. The company also has a defined contribution pension scheme called the PMI Limited Group Personal Pension Scheme, which was established in the year. Contributions were fully paid at the year end.

17. COMMITMENTS

At 30 June 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	<i>Land and buildings</i>	
	<i>2002</i>	<i>2001</i>
	£	£
Operating leases which expire in over five years	<u>58,933</u>	<u>58,933</u>

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS

at 30 June 2002

18. RELATED PARTY TRANSACTIONS

The company has relied upon the exemption under paragraph 3(c) of FRS 8 not to disclose certain related party transactions.

The following companies are considered, due to common ownership, to be related parties with whom transactions have occurred during the year:

Baldwin Industries Limited
Corporate Medical Management Limited (Fellow Subsidiary)
PMI Health Group Limited (Holding Company)

The following transactions were entered into during the year:

	<i>Rental charges</i>	<i>Other recharges</i>
	£	£
Baldwin Industries Limited	62,867	219,065

The following balances existed at the year end:

	<i>Creditor</i>
	£
Baldwin Industries Limited	5,651

19. HOLDING COMPANY AND ULTIMATE CONTROLLING PARTY

The company's holding company is Astorhold Limited, a company incorporated in the United Kingdom. The directors are of the opinion that Mr C P Baldwin is the ultimate controlling party.