

PMI Health Group Limited

REPORT AND FINANCIAL STATEMENTS

30 June 2009

Company Registration No. 2660256

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PMI Health Group Limited

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PMI Health Group Limited

DIRECTORS AND ADVISORS

DIRECTORS

CP Baldwin
RDH Munro
MI Davis
M Baldwin

SECRETARY

RDH Munro

REGISTERED OFFICE

The Courtyard
Hall Lane
Wincham
Cheshire
CW9 6DG

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

BANKERS

National Westminster Bank PLC
23 Stamford New Road
Altrincham
Cheshire
WA14 1DB

SOLICITORS

Chandler Harris
25 Byrom Street
Manchester
M3 4PF

PMI Health Group Limited

DIRECTORS' REPORT

The Directors submit their report and the financial statements of PMI Health Group Limited for the year ended 30 June 2009.

PRINCIPAL ACTIVITIES

The group continues to provide a growing range of employee healthcare services, including health related insurance consultancy, related claims management, occupational healthcare, absence management and commercial insurance.

REVIEW OF BUSINESS

PMI Health Group Limited continues to operate as a Holding Company.

The group continues to successfully provide an employee healthcare service, working closely to assist clients in improving their performance by managing the health of their employees and reducing sickness absence.

The group has invested heavily in the development of services available to our clients during the year. We have further invested in our general insurance team and also continued to develop the absence management services that we offer.

This was aided by tightly controlled expenditure in 2009 and the investment made in 2008 in expanding our range of services and products.

The group's turnover grew by 10% in 2009, due to continued organic growth, which gave rise to an increase in operating profit of 24.8%.

The group has continued to meet the regulatory requirements set throughout the year.

The directors are satisfied with the group's performance and believe that we continue to be in a strong position to fulfil our client needs and move the group forward.

RISKS AND UNCERTAINTIES

The board and management of the group manage the risks and uncertainties facing the group on a continuous basis. We consider the principal risks and uncertainties to be areas effecting FSA regulations and political changes which may have an effect on the products and services we provide.

Future risks faced by the group are price fluctuations in the market, supplier availability in respect of insurance companies and retention of certain key staff.

We believe that we have sufficient controls and procedures in place to monitor, control, and react accordingly to the risks and challenges that we face and monitor these risks at board meetings and in the group's risk register.

FINANCIAL INSTRUMENTS

The board use management accounts and various financial reports to ensure that the following are reviewed and we are aware of any risk arising in any of the following areas:

Price – The board continually monitor the prices we set against those of our competitors. This ensures that we continue to be competitive in the market.

PMI Health Group Limited

DIRECTORS' REPORT (continued)

Credit - We have robust credit control procedures in place to ensure that all amounts due are paid promptly. We have a dedicated team who use the systems and procedures in place to diligently chase all outstanding monies and ensure that no significant bad debts occur.

Liquidity - Due to the nature of the business in which we operate, and also prudent history of management we have minimal risk with regards to liquidity, supported by our stringent credit control procedures that we employ and also the tight management of the group cashflow. We take the appropriate action to minimise this risk.

FUTURE DEVELOPMENTS

The group will continue to offer the wide range of services we currently provide to our clients. We will also look to further develop our current product range so that we may evolve along with our customer needs and offer full solutions for their employee healthcare matters.

RESULTS AND DIVIDENDS

The group profit for the year after taxation was £1,057,665 (2008: £875,692). The directors recommend a final dividend of £1,430,227 (2008: £nil) which, if approved will be recognised in the financial statements for the year ended 30 June 2010. During the year interim dividends of £717,412 (2008: £500,000) were paid leaving a surplus of £340,253 (2008: surplus of £364,290) to be transferred to reserves.

DIRECTORS

The directors who held office during the year were as follows:

CP Baldwin
RDH Munro
MI Davis
M Baldwin

POLITICAL AND CHARITABLE DONATIONS

During the year, a subsidiary undertaking of the group made donations of £28,149 (2008: £37,496) to various registered UK charities. These donations include £22,212 (2008: £32,962) to the Duke of Edinburgh Award Scheme, £1,500 (2008: £400) to a local disability charity, £1,400 (2008: £1,250) to Barnado's and £3,037 (2008: £2,884) to a number of other charities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

PMI Health Group Limited
DIRECTORS' REPORT (continued)

AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

By order of the board



RDH Munro
Director

26 November 2009

PMI Health Group Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 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 the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group'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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PMI HEALTH GROUP LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 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 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 more fully explained in the Directors' Responsibilities Statement set out on page 5, 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's (APB's) Ethical Standards for Auditors.

Scope of the audit

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2009 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Baker Tilly UK Audit LLP

Anne Lakin (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

8 December 2009

PMI Health Group Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2009

	Note	2009 £	2008 £
TURNOVER		8,492,791	7,715,046
Administrative expenses		(7,061,147)	(6,568,322)
OPERATING PROFIT		1,431,644	1,146,724
Interest receivable and similar income	4	62,510	106,291
Interest payable and similar charges	5	(7,226)	(798)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1-5	1,486,928	1,252,217
Taxation	6	(429,263)	(376,525)
PROFIT FOR THE FINANCIAL YEAR	15	1,057,665	875,692


The operating profit for the year arises from the group's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

PMI Health Group Limited
 CONSOLIDATED BALANCE SHEET
 at 30 June 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	8	482,679	472,972
CURRENT ASSETS			
Debtors	10	2,607,882	2,090,903
Cash at bank and in hand	11	1,709,864	1,723,324
		<u>4,317,746</u>	<u>3,814,227</u>
CREDITORS: Amounts falling due within one year	12	(1,092,483)	(929,765)
		<u>3,225,263</u>	<u>2,884,462</u>
NET CURRENT ASSETS			
		<u>3,707,942</u>	<u>3,357,434</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>(701,530)</u>	<u>(691,275)</u>
NET ASSETS		<u>3,006,412</u>	<u>2,666,159</u>
CAPITAL AND RESERVES			
Called up share capital	14	838,029	838,029
Capital redemption reserve	15	93,025	93,025
Share premium	15	24,451	24,451
Profit and loss account	15	2,050,907	1,710,654
		<u>3,006,412</u>	<u>2,666,159</u>
SHAREHOLDERS' FUNDS		<u>3,006,412</u>	<u>2,666,159</u>

The financial statements on pages 7 to 24 were approved by the board of directors and authorised for issue on **26 November** 2009 and are signed on its behalf by:

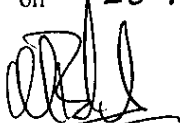

 M Baldwin
 Director

Company Registration No. 2660256

PMI Health Group Limited
COMPANY BALANCE SHEET
at 30 June 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Investments	9	939,108	939,108
CURRENT ASSETS			
Debtors (£20,000 due after more than one year (2008: £20,000))	10	73,154	53,086
CREDITORS: Amounts falling due within one year	12	-	(11,402)
NET CURRENT ASSETS		73,154	41,684
NET ASSETS		1,012,262	980,792
CAPITAL AND RESERVES			
Called up share capital	14	838,029	838,029
Capital redemption reserve	15	93,025	93,025
Share premium	15	24,451	24,451
Profit and loss account	15	56,757	25,287
SHAREHOLDERS' FUNDS		1,012,262	980,792

The financial statements on pages 7 to 24 were approved by the board of directors and authorised for issue on *26 November* 2009 and are signed on its behalf by:



M Baldwin
Director

PMI Health Group Limited

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS for the year ended 30 June 2009

	Note	GROUP		COMPANY	
		2009 £	2008 £	2009 £	2008 £
PROFIT FOR THE FINANCIAL YEAR		1,057,665	875,692	748,882	498,231
Dividends	7	(717,412)	(500,000)	(717,412)	(500,000)
Purchase of own shares		-	(11,402)	-	(11,402)
		<hr/>	<hr/>	<hr/>	<hr/>
NET ADDITION TO/(REDUCTION IN) SHAREHOLDERS' FUNDS		340,253	364,290	31,470	(13,171)
Opening shareholders' funds		2,666,159	2,301,869	980,792	993,963
		<hr/>	<hr/>	<hr/>	<hr/>
CLOSING SHAREHOLDERS' FUNDS		3,006,412	2,666,159	1,012,262	980,792
		<hr/>	<hr/>	<hr/>	<hr/>

PMI Health Group Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2009

	Note	2009		2008	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	19(a)		1,292,043		1,161,288
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		62,510		106,291	
Interest on hire purchase and finance lease contracts		-		(798)	
Other interest		(7,226)		-	
			55,284		105,493
TAXATION					
Corporation tax paid			(426,154)		(396,870)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(255,061)		(266,899)	
Receipts from sale of tangible fixed assets		37,840		26,659	
			(217,221)		(240,240)
DIVIDENDS PAID			(717,412)		(500,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(13,460)		129,671
FINANCING					
Purchase of own shares			-		(11,402)
(DECREASE)/INCREASE IN CASH IN THE YEAR	19(b)		(13,460)		118,269

PMI Health Group Limited
CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 30 June 2009

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	Note	£
Decrease in cash in the year		(13,460)
MOVEMENT IN NET FUNDS IN YEAR		<u>(13,460)</u>
NET FUNDS AT BEGINNING OF YEAR		<u>1,723,324</u>
NET FUNDS AT END OF YEAR	19(b)	<u><u>1,709,864</u></u>

PMI Health Group Limited

ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

BASIS OF ACCOUNTING

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

GOING CONCERN

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report. The directors consider that the financial position of the group is positive with cash at the bank and a strong balance sheet. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors believe that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of PMI Health Group Limited and all of its subsidiary undertakings. These financial statements are made up to 30 June 2009.

As permitted by section 408 of the Companies Act 2006 the company has not presented its own profit and loss account.

The consolidated financial statements are based on financial statements of subsidiary undertakings which have coterminous year ends.

RELATED PARTY TRANSACTIONS

The company has, in accordance with FRS 8, taken advantage of the exemption from reporting the transactions between the company and certain of its related parties and has therefore not disclosed transactions or balances with entities which form part of the PMI Health Group Limited group.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly 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

DEFERRED TAXATION

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements.

Deferred tax assets are recognised if the directors consider the asset can be recovered with reasonable certainty.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

PMI Health Group Limited

ACCOUNTING POLICIES (continued)

LEASED ASSETS AND OBLIGATIONS

All leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

RETIREMENT BENEFITS

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

INSURANCE CREDITORS AND CASH

The group acts as agent in broking the insurable risks of clients and normally is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationship with clients and underwriters, the group has followed generally accepted accounting practice for insurance brokers by showing creditors and cash balances relating to its insurance business as assets and liabilities of the group itself unless net settlement can be secured beyond doubt. This complies with the reporting requirements under FRS 5 where assets and liabilities may not be offset unless net settlement is legally enforceable.

TURNOVER

Turnover for the subsidiary Private Medicine Intermediaries Limited represents commission and fees earned via insurance premium contracts. Commission and fee income is recognised at the date the policy commences. Any subsequent adjustments to policy income are recognised when confirmed.

For the subsidiary Corporate Medical Management Limited turnover is recognised evenly over the life of a contract to ensure that the revenue recognised fairly matches the costs incurred in servicing those contracts and is stated net of value added tax. Income received in advance is disclosed as deferred income on the balance sheet.

All turnover and pre-tax profits are derived entirely from operations within the United Kingdom.

CASH AND CASH EQUIVALENTS

Cash for the purpose of the cashflow statements comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand.

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

1	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2009 £	2008 £
	Profit on ordinary activities before taxation is stated after charging:		
	Auditors' remuneration – audit services	17,700	16,850
	Operating leases – land and buildings	166,251	148,901
	Depreciation of owned assets	205,023	190,359
	Loss on sale of tangible fixed assets	2,491	3,275
		<u> </u>	<u> </u>
2	DIRECTORS' REMUNERATION	2009 £	2008 £
	Emoluments	164,948	165,998
	Emoluments paid to third parties	295,309	296,453
	Pension fund contributions	15,098	15,821
		<u> </u>	<u> </u>
		475,355	478,272
		<u> </u>	<u> </u>
		2009 Number	2008 Number
	Members of defined contribution pension scheme	1	1
		<u> </u>	<u> </u>
		2009 £	2008 £
	Highest paid director:		
	Emoluments	164,948	165,998
	Pension fund contributions	15,098	15,821
		<u> </u>	<u> </u>
		180,046	181,819
		<u> </u>	<u> </u>

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

3	STAFF COSTS	2009	2008
		£	£
	Aggregate staff costs were as follows:		
	Wages and salaries	4,001,333	3,558,137
	Social security costs	415,978	401,223
	Other pension costs	149,610	189,827
		<u>4,566,921</u>	<u>4,149,187</u>
		<u><u>4,566,921</u></u>	<u><u>4,149,187</u></u>

Included in wages and salaries are redundancy and termination costs of £nil (2008: £45,000).

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

	2009	2008
	Number	Number
Management and administration	94	89
Sales staff	24	21
Medical staff	14	14
	<u>132</u>	<u>124</u>
	<u><u>132</u></u>	<u><u>124</u></u>

4	INTEREST RECEIVABLE AND SIMILAR INCOME	2009	2008
		£	£
	Bank interest	62,510	106,291
		<u>62,510</u>	<u>106,291</u>
		<u><u>62,510</u></u>	<u><u>106,291</u></u>

5	INTEREST PAYABLE AND SIMILAR CHARGES	2009	2008
		£	£
	Hire purchase and finance lease contracts	-	798
	Interest payable on corporation tax	7,226	-
		<u>7,226</u>	<u>798</u>
		<u><u>7,226</u></u>	<u><u>798</u></u>

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

6 TAXATION	2009	2008
	£	£
Current tax:		
UK corporation tax on profits for the year	430,514	378,444
Adjustments in respect of previous years	711	(8,423)
	<hr/>	<hr/>
Total current tax (see below)	431,225	370,021
	<hr/>	<hr/>
Deferred taxation:		
Origination and reversal of timing differences	(3,446)	6,504
Adjustment in respect of previous year	1,484	-
	<hr/>	<hr/>
Total deferred tax	(1,962)	6,504
	<hr/>	<hr/>
Tax on profit on ordinary activities	429,263	376,525
	<hr/> <hr/>	<hr/> <hr/>
Factors affecting tax charge for year:	2009	2008
	£	£
The tax assessed for the period is higher than (2008: higher than) the standard rate of corporation tax in the UK 28% (2008: 29.5%). The differences are explained below:		
Profit on ordinary activities before tax	1,486,928	1,252,217
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 28% (2008: 29.5%)	416,339	369,404
	<hr/>	<hr/>
Effects of:		
Expenses not deductible for tax purposes	14,408	18,264
Fixed asset timing differences	3,582	(4,491)
Short term timing differences	-	154
Adjustments in respect of previous years	711	(8,423)
Other differences	(136)	(4,887)
Small companies relief	(3,679)	-
	<hr/>	<hr/>
Tax charge for year	431,225	370,021
	<hr/> <hr/>	<hr/> <hr/>

PMI Health Group Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2009

7 DIVIDENDS

	2009	2008
	£	£
Dividends:		
Interim paid on 'B' ordinary shares *	492,412	350,000
Interim paid on 'C' ordinary shares **	225,000	150,000
	<u>717,412</u>	<u>500,000</u>

* Dividend per share 76.9 (2008: 54.7p)

** Dividend per share 112.5p (2008: 75p)

In respect of the current year, the directors propose that a final dividend of £1,430,227 will be paid on the 'B' and 'C' ordinary shareholders. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

8 TANGIBLE FIXED ASSETS

GROUP	Computer equipment	Motor vehicles	Fixtures, fittings and equipment	Total
	£	£	£	£
<i>Cost</i>				
At beginning of year	925,809	335,101	434,485	1,695,395
Additions	38,806	188,840	27,415	255,061
Disposals	(5,589)	(109,166)	(11,862)	(126,617)
	<u>959,026</u>	<u>414,775</u>	<u>450,038</u>	<u>1,823,839</u>
<i>Depreciation</i>				
At beginning of year	784,735	115,869	321,819	1,222,423
Charged in the year	75,598	87,598	41,827	205,023
Disposals	(4,949)	(70,080)	(11,257)	(86,286)
	<u>855,384</u>	<u>133,387</u>	<u>352,389</u>	<u>1,341,160</u>
<i>Net book value</i>				
At 30 June 2009	<u>103,642</u>	<u>281,388</u>	<u>97,649</u>	<u>482,679</u>
At 30 June 2008	<u>141,074</u>	<u>219,232</u>	<u>112,666</u>	<u>472,972</u>

PMI Health Group Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2009

9 INVESTMENTS

COMPANY

Investments in subsidiary undertakings

Cost:

At 1 July 2008 and 30 June 2009

£

939,108

Subsidiary undertakings (both included in the consolidation)

<i>Name of company</i>	<i>Shareholding</i>	<i>Activity</i>
Private Medicine Intermediaries Limited	100%	Medical insurance broker
Corporate Medical Management Limited	100%	Medical screening and managing medical insurance contracts

The subsidiary companies are registered in England and Wales.

10 DEBTORS

	GROUP		COMPANY	
	2009 £	2008 £	2009 £	2008 £
Trade debtors	2,300,120	1,837,768	-	-
Amounts due from subsidiary company	-	-	73,154	53,086
Deferred taxation (see note 13)	31,993	30,031	-	-
Other debtors	46,218	-	-	-
Prepayments and accrued income	229,551	223,104	-	-
	<u>2,607,882</u>	<u>2,090,903</u>	<u>73,154</u>	<u>53,086</u>

An amount of £20,000 (2008: £20,000) due from Corporate Medical Management Limited is due after more than one year.

11 INSURANCE MONIES HELD

The company holds monies on behalf of it's clients in statutory trust accounts in respect of insurance premiums of £373,623 (2008: £427,984).

PMI Health Group Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2009

12 CREDITORS: Amounts falling due within one year	GROUP		COMPANY	
	2009 £	2008 £	2009 £	2008 £
Amounts owed to parent undertaking	70,999	48,193	-	-
Trade creditors	113,373	31,902	-	-
Corporation tax	222,228	217,158	-	-
Other taxes and social security costs	174,239	129,947	-	-
Accruals and deferred income	511,644	502,565	-	11,402
	<u>1,092,483</u>	<u>929,765</u>	<u>-</u>	<u>11,402</u>

13 DEFERRED TAXATION	GROUP £
Asset at beginning of year	30,031
Credit for the year	1,962
Asset at end of year	<u>31,993</u>

The elements of deferred taxation are as follows:

	GROUP	
	2009 £	2008 £
Difference between accumulated depreciation and capital allowances	(27,716)	(25,619)
Other timing differences	(4,277)	(4,412)
Deferred tax asset	<u>(31,993)</u>	<u>(30,031)</u>

PMI Health Group Limited
 NOTES TO THE FINANCIAL STATEMENTS
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14	SHARE CAPITAL	2009	2008
		£	£
	Authorised:		
	250,000 'A' ordinary shares of £0.02 each	5,000	5,000
	1,000,000 'B' ordinary shares of £1 each	1,000,000	1,000,000
	200,000 'C' ordinary shares of £1 each	200,000	200,000
		<u>1,205,000</u>	<u>1,205,000</u>
		2009	2008
		£	£
	Allotted, called up and fully paid:		
	2,550 'A' ordinary shares of £0.02 each	51	51
	637,978 'B' ordinary shares of £1 each	637,978	637,978
	200,000 'C' ordinary shares of £1 each	200,000	200,000
		<u>838,029</u>	<u>838,029</u>

In accordance with the company's Articles, the 'A' shares attract voting rights but have no rights to a distribution, either in the form of dividends or repayment of capital. The 'B' shares and 'C' shares have no voting rights but qualify for all dividends declared and any repayment of capital.

15	RESERVES	Capital redemption reserve	Share premium	Profit and loss account
		£	£	£
	GROUP			
	Balance at beginning of year	93,025	24,451	1,710,654
	Profit for the year	-	-	1,057,665
	Dividend	-	-	(717,412)
	Balance at end of year	<u>93,025</u>	<u>24,451</u>	<u>2,050,907</u>
	COMPANY			
	Balance at beginning of year	93,025	24,451	25,287
	Profit for the year	-	-	748,882
	Dividend	-	-	(717,412)
	Balance at end of year	<u>93,025</u>	<u>24,451</u>	<u>56,757</u>

PMI Health Group Limited
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16 PROFIT ATTRIBUTABLE TO THE MEMBERS OF THE PARENT COMPANY

The profit for the financial year before dividends dealt with in the accounts of the parent company, PMI Health Group Limited, was £748,882 (2008: £498,231).

17 PENSION COMMITMENTS

The group pays pension contributions to personal pensions of selected employees. The personal pensions are arranged with an insurance company separate to the business. The group also has a defined contribution pension scheme called the PMI Limited Group Personal Pension Scheme, which was established in 2004. Contributions outstanding at the year end totalled £15,273 (2008: £15,759).

18 COMMITMENTS UNDER OPERATING LEASES

At the year end the group had annual commitments under non-cancellable operating leases as follows:

	2009 £	2008 £
Land and buildings: expiring over five years	157,800	157,800
	<u> </u>	<u> </u>

19 CASH FLOW WORKINGS

a RECONCILIATION OF OPERATING PROFIT TO NET CASH
INFLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit	1,431,644	1,146,724
Depreciation	205,023	190,359
Loss on disposal of tangible fixed assets	2,491	3,275
Increase in debtors	(473,983)	(355,717)
Increase in creditors	116,613	87,726
Increase in deferred income	10,255	88,921
	<u> </u>	<u> </u>
Net cash inflow from operating activities	1,292,043	1,161,288
	<u> </u>	<u> </u>

b ANALYSIS OF NET FUNDS

	At 1 July 2008 £	Cash Flow £	At 30 June 2009 £
Cash at bank and in hand	1,723,324	(13,460)	1,709,864
	<u> </u>	<u> </u>	<u> </u>

PMI Health Group Limited
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20 CONTINGENT LIABILITIES

All group companies are members of a VAT group together with the following companies which are all under the common control of Mr CP Baldwin:

- Baldwin Landscaping Limited
- Baldwin Enterprises Limited
- Baldwin Investments Limited
- Baldwin Estates Limited
- Argosy Systems Limited

At 30 June 2009 the VAT liability of the VAT group excluding that of the company was £28,943 (2008: £30,296).

21 RELATED PARTY TRANSACTIONS

CP Baldwin Pension Trust

The group rented certain properties from CP Baldwin's pension trust, rental for the year amounted to £166,251 (2008: £148,091).

The following (creditor)/debtor balances existed at the year end:

	2009 £	2008 £
CP Baldwin Pension Trust	(8,900)	39,450

Baldwin Ventures Limited

During the year the group was recharged expenses aggregating to £264,308 (2008: £250,206) from Baldwin Ventures Limited, parent company of PMI Health Group Limited. At the year end there is a balance owing to Baldwin Ventures Limited of £70,999 (2008: £48,193).

Hurlstone Management Limited

Mr MI Davis is a director and controlling shareholder of Hurlstone Management Limited.

During the year Private Medicine Intermediaries Limited transacted with Hurlstone Management Limited. The nature of the trading activities and the relative values were as follows:

	2009 £	2008 £
Purchases:		
Professional and advisory services	66,972	46,247

At the year end there is an accrual of £36,907 (2008: £32,344) owing by Private Medicine Intermediaries Limited.

PMI Health Group Limited
NOTES TO THE FINANCIAL STATEMENTS
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21 RELATED PARTY TRANSACTIONS (continued)

Absence Manager (IPR) Limited Group

The ultimate parent company of Private Medicine Intermediaries Limited owns 31.5% of Absence Manager (IPR) Limited which in turn owns 100% of Absence Manager Limited.

Private Medicine Intermediaries Limited received £nil (2008: £37,000) of commission from Absence Management Limited in relation to sales of their products and incurred £20,701 (2008: £10,192) of recharges from Absence Manager Limited. All balances had been paid in full at the year end.

All transactions are at a commercial arms length basis.

Dividend payments

During the year the company paid dividends amounting to £674,133 (2008: £469,237) to Baldwin Ventures Limited, parent company of PMI Health Group Limited.

During the year the company paid dividends amounting to £27,697 (2008: £19,701) to RDH Munro, who is a director of the company.

During the year the company paid dividends amounting to £12,590 (2008: £8,955) to E Hammond, who is a director of Private Medicine Intermediaries Limited.

During the year the company paid dividends amounting to £1,496 (2008: £1,064) to MI Davis, who is a director of the company.

22 PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The company's ultimate parent company is Baldwin Ventures Limited, a company incorporated in the United Kingdom.

The directors are of the opinion that Mr CP Baldwin is the ultimate controlling party.