

PRIVATE MEDICINE INTERMEDIARIES LIMITED

Report and Accounts

30 June 2001

200 9675

 ERNST & YOUNG



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COMPANIES HOUSE 01/05/02

Private Medicine Intermediaries Limited

Registered Number 2009675

DIRECTORS

C P Baldwin
R D H Munro
J G Pritchard (resigned 22 December 2000)
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

 ERNST & YOUNG

Private Medicine Intermediaries Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 2001.

RESULTS AND DIVIDENDS

The profit for the year after taxation, was £329,103 (2000: £265,875). The directors have paid an interim dividend amounting to £372,401. The directors do not recommend the payment of a final dividend leaving a loss of £43,298 which has been met from 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 2001 had any interests in the share capital of the company.

The interests of the directors in the share capital of the parent company, Astorhold Limited are disclosed in the accounts of that company.

AUDITORS

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual Extraordinary General Meeting.

By order of the board



R D H Munro
Secretary

Date: 25 April 2002

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 2001 which comprise Profit and Loss Account, 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.

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.

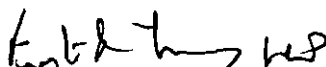
Basis of audit opinion

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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Manchester

Date: 30/4/02

Private Medicine Intermediaries Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2001

	<i>Notes</i>	2001 £	2000 £
TURNOVER	2	3,275,331	2,842,854
Administrative expenses		(2,826,203)	(2,577,447)
OPERATING PROFIT	3	449,128	265,407
Interest receivable	6	44,286	38,513
Interest payable	7	(12,636)	(14,203)
		31,650	24,310
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		480,778	289,717
Tax on profit on ordinary activities	8	(151,675)	(23,842)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	329,103	265,875
Dividend – equity interim paid		372,401	-
(LOSS)/PROFIT RETAINED FOR THE FINANCIAL YEAR		(43,298)	265,875

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no other gains and losses in the year ended 30 June 2001 or the year ended 30 June 2000, other than as reported by the above profit and loss account.

Private Medicine Intermediaries Limited

BALANCE SHEET at 30 June 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible fixed assets	9	268,925	233,666
CURRENT ASSETS			
Debtors	10	1,087,253	1,082,535
Cash at bank and in hand		1,052,424	1,231,565
		2,139,677	2,314,100
CREDITORS: amounts falling due within one year	11	(1,426,022)	(1,549,930)
NET CURRENT ASSETS		713,655	764,170
TOTAL ASSETS LESS CURRENT LIABILITIES		982,580	997,836
CREDITORS: amounts falling due after more than one year	12	(59,566)	(31,524)
		923,014	966,312
CAPITAL AND RESERVES			
Called up share capital	14,15	688,790	688,790
Profit and loss account	15	234,224	277,522
EQUITY SHAREHOLDERS' FUNDS		923,014	966,312

Approved by the Board on 25 April 2002


C P Baldwin Director


R D H Munro Director

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS

at 30 June 2001

1. ACCOUNTING POLICIES

Basis of preparation

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

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:

Short leasehold property	-	over the life of the lease
Motor vehicles	-	20% straight line
Computer equipment	-	25% 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 taxation is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

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 is derived entirely from operations within the United Kingdom.

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS at 30 June 2001

3. OPERATING PROFIT

(a) This is stated after charging the following:

	2001	2000
	£	£
Auditors' remuneration - audit services	9,200	9,000
Depreciation of owned assets	33,381	78,119
Depreciation of assets held under hire purchase contracts	57,151	48,072
Loss on sale of tangible fixed assets	5,875	2,109
Operating leases - land and buildings	61,050	55,600
	<u> </u>	<u> </u>

4. DIRECTORS' EMOLUMENTS

	2001	2000
	£	£
Total emoluments :		
Emoluments	243,642	227,134
Pension fund contributions	15,168	14,576
	<u>258,810</u>	<u>241,710</u>
	<u> </u>	<u> </u>
Highest paid director:		
Emoluments	87,619	69,514
Pension fund contributions	6,875	6,198
	<u>94,494</u>	<u>75,712</u>
	<u> </u>	<u> </u>

5. STAFF COSTS

	2001	2000
	£	£
Wages and salaries	1,607,364	1,346,942
Social security costs	161,969	124,495
Other pension costs	52,655	42,641
	<u>1,821,988</u>	<u>1,514,078</u>
	<u> </u>	<u> </u>

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS

at 30 June 2001

5. STAFF COSTS (continued)

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

	2001 No.	2000 No.
Management and administration	58	52
Sales	21	20
	<u>79</u>	<u>72</u>

6. INTEREST RECEIVABLE

	2001 £	2000 £
Bank interest	44,286	38,513
	<u>44,286</u>	<u>38,513</u>

7. INTEREST PAYABLE

	2001 £	2000 £
Finance charges payable under hire purchase contracts	12,636	14,203
	<u>12,636</u>	<u>14,203</u>

8. TAXATION

	2001 £	2000 £
Based on the profit for the year:		
Corporation tax at 30% (2000 : 30%)	151,000	23,842
Under-provision for corporation tax in prior year	675	-
	<u>151,675</u>	<u>23,842</u>

No provision is required for deferred taxation due to immaterial timing differences at the year end.

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS

at 30 June 2001

9. TANGIBLE FIXED ASSETS

	<i>Short lease property</i>	<i>Computer equipment</i>	<i>Motor vehicles</i>	<i>Fixtures, fittings and equipment</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
At 1 July 2000	7,677	181,582	260,924	113,580	563,763
Additions	-	68,545	72,348	9,556	150,449
Disposals	(7,677)	(14,921)	(55,291)	(31,618)	(109,507)
At 30 June 2001	-	235,206	277,981	91,518	604,705
Depreciation:					
At 1 July 2000	2,373	140,786	92,857	94,081	330,097
Charge for the year	-	16,030	57,151	17,351	90,532
Disposals	(2,373)	(7,473)	(30,213)	(44,790)	(84,849)
At 30 June 2001	-	149,343	119,795	66,642	335,780
Net book value:					
At 30 June 2001	-	85,863	158,186	24,876	268,925
At 30 June 2000	5,304	40,796	168,067	19,499	233,666

Included in the net book value for motor vehicles above is £158,186 (2000: £168,066) relating to assets held under hire purchase contracts.

10. DEBTORS

	2001	2000
	£	£
Trade debtors	926,052	921,802
Amounts owed by holding company	-	96,008
Amounts owed by fellow subsidiary	123,378	38,968
Prepayments and accrued income	10,883	2,803
Other debtors	26,940	22,954
	1,087,253	1,082,535

The amount owed by fellow subsidiary of £123,378 is due after more than one year (2000: £38,968).

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS

at 30 June 2001

11. CREDITORS: amounts falling due within one year

	2001	2000
	£	£
Obligations under hire purchase contracts (note 13)	65,854	91,580
Trade creditors	744,198	1,271,898
Amount owed to holding company	276,391	-
Corporation tax	151,000	23,842
Other taxes and social security	23,695	22,454
Accruals and sundry creditors	164,884	140,156
	<u>1,426,022</u>	<u>1,549,930</u>

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

	2001	2000
	£	£
Obligations under hire purchase contracts (note 13)	59,566	31,524
	<u>59,566</u>	<u>31,524</u>

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

The analysis of these amounts is as follows:

	2001	2000
	£	£
Amounts payable:		
within one year	66,920	98,695
within two to five years	65,370	34,130
	<u>132,290</u>	<u>132,825</u>
Less: finance charges allocated to future periods	(6,870)	(9,721)
	<u>125,420</u>	<u>123,104</u>
	<u>125,420</u>	<u>123,104</u>
Hire purchase contracts are analysed as follows:		
Current obligations (note 11)	65,854	91,580
Non-current obligations (note 12)	59,566	31,524
	<u>125,420</u>	<u>123,104</u>
	<u>125,420</u>	<u>123,104</u>

14. CALLED UP SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2001	2000	2001	2000
	No.	No.	£	£
Ordinary shares of £1 each	1,000,000	1,000,000	688,790	688,790
	<u>1,000,000</u>	<u>1,000,000</u>	<u>688,790</u>	<u>688,790</u>

Private Medicine Intermediaries Limited

NOTES TO THE ACCOUNTS at 30 June 2001

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 2000	688,790	277,522	966,312
Profit for the year	-	329,103	329,103
Dividend	-	(372,401)	(372,401)
At 30 June 2001	<u>688,790</u>	<u>234,224</u>	<u>923,014</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 2001 the company had annual commitments under non-cancellable operating leases as set out below.

	<i>Land and buildings</i>	
	<i>2001</i>	<i>2000</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 2001

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)
Astorhold Limited (Holding Company)

The following transactions were entered into during the year:

	<i>Rental charges</i> £	<i>Other recharges</i> £
Baldwin Industries Limited	61,050	193,555

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.