

# Corporate Medical Management Limited

## REPORT AND FINANCIAL STATEMENTS

30 June 2008



Company Registration No. 02707678

# Corporate Medical Management Limited

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# Corporate Medical Management Limited

## DIRECTORS AND ADVISORS

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### DIRECTORS

CP Baldwin  
RDH Munro  
MI Davis  
RH Beastall (resigned 30 June 2008)  
RE Floyd  
SJ Langan  
TA Smith  
PM Forster

### 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

# Corporate Medical Management Limited

## DIRECTORS' REPORT

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The Directors submit their report and the financial statements of Corporate Medical Management Limited for the year ended 30 June 2008.

### PRINCIPAL ACTIVITIES

The principal activities of the company are:

- Claims management of private medical insurance and group income protection contracts and long term sickness absence management.
- Occupational health

The company has continued to develop all of these services throughout the year in order to be able to meet the changing needs of its clients.

The company has met its regulatory requirements throughout the year.

### REVIEW OF BUSINESS

The claims management services saw an increase in sales and profits during the year.

The occupational health service reported a reduction in sales and an increased loss, due to the loss of one significant contract.

The directors are satisfied with the company's performance.

### KEY PERFORMANCE INDICATORS

The company sets key performance indicators against which performance is reviewed.

The key performance indicators cover all aspects of the business and include:

- Work force activity measured against activity targets
- Costs incurred measured against planned costs and analytical review
- Sales measured against planned sales and analytical review
- Customer satisfaction reviews

We are satisfied with our performance when measured against these indicators.

### RISKS AND UNCERTAINTIES

The board and management of the company manage the risks and uncertainties facing the company on a continuous basis. We consider the principal risks and uncertainties to be as follows:

- Changes in legislation in the markets in which we operate
- Political changes which may have an effect on the products and services we provide
- Social perception of the markets in which we operate
- Price fluctuations
- Competition
- Supplier availability
- Staff retention

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.

# Corporate Medical Management Limited

## DIRECTORS' REPORT (continued)

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### 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.

**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.

**Cash Flow** - With the stringent credit control procedures that we employ and also the tight management of the group, we take the appropriate action to minimise this risk.

### FUTURE DEVELOPMENTS

The company 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.

### DIVIDENDS

The directors recommend the payment of a final dividend of £nil (2007: £nil) and have paid interim dividends of £100,000 (2007: £350,000) leaving a loss of £48,440 (2007: £244,876) to be taken to reserves.

### DIRECTORS

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

CP Baldwin  
RDH Munro  
MI Davis  
RH Beastall (resigned 30 June 2008)  
RE Floyd  
SJ Langan  
TA Smith  
PM Forster

### 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.

# Corporate Medical Management Limited

## DIRECTORS' REPORT (continued)

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### 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**  
Secretary

24 April 2009

# Corporate Medical Management Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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; and
- c. 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 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 financial statements comply with the requirements of 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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORPORATE MEDICAL MANAGEMENT LIMITED

We have audited the financial statements on pages 8 to 20.

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 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORPORATE  
MEDICAL MANAGEMENT LIMITED (continued)

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 30 June 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*Baker Tilly UK Audit LLP*

**BAKER TILLY UK AUDIT LLP**  
Registered Auditor  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

*29 April.* 2009

**Corporate Medical Management Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 30 June 2008

	Notes	2008 £	2007 £
TURNOVER		2,074,471	2,182,503
Administrative expenses		(2,006,489)	(2,033,882)
OPERATING PROFIT	1 - 3	67,982	148,621
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		67,982	148,621
Taxation	4	(16,422)	(43,497)
PROFIT FOR THE FINANCIAL YEAR	12	51,560	105,124

The operating profit for the year arises from the company'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.

# Corporate Medical Management Limited

## BALANCE SHEET

at 30 June 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	6	108,867	86,443
<b>CURRENT ASSETS</b>			
Debtors	7	524,142	521,598
Cash at bank		612,466	1,034,563
		<u>1,136,608</u>	<u>1,556,161</u>
CREDITORS: Amounts falling due within one year	8	(175,100)	(612,710)
<b>NET CURRENT ASSETS</b>		<u>961,508</u>	<u>943,451</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,070,375</u>	<u>1,029,894</u>
CREDITORS: Amounts falling due after more than one year	9	(20,000)	(20,000)
DEFERRED INCOME		(691,275)	(602,354)
<b>NET ASSETS</b>		<u>359,100</u>	<u>407,540</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	165,002	165,002
Profit and loss account	12	194,098	242,538
<b>SHAREHOLDERS' FUNDS</b>		<u>359,100</u>	<u>407,540</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 8 to 20 were approved by the board and authorised for issue on *24 April* 2009 and were signed on its behalf by:-

CP Baldwin  
Director



2008

**Corporate Medical Management Limited**  
**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**  
for the year ended 30 June 2008

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	2008 £	2007 £
PROFIT FOR THE FINANCIAL YEAR	51,560	105,124
Dividends	(100,000)	(350,000)
	<hr/>	<hr/>
NET REDUCTION IN SHAREHOLDERS' FUNDS	(48,440)	(244,876)
Opening shareholders' funds	407,540	652,416
	<hr/>	<hr/>
CLOSING SHAREHOLDERS' FUNDS	359,100	407,540
	<hr/>	<hr/>

# Corporate Medical Management Limited

## ACCOUNTING POLICIES

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

### BASIS OF ACCOUNTING

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

The company is exempt from the requirements of FRS 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of PMI Health Group Limited and its cash flows are included within the consolidated cash flow statement of that company.

### 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, since all of the voting rights are controlled by the group and the consolidated financial statements in which the company are consolidated are publicly available.

### 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:-

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

### 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 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 company's taxable profits and its results as stated in the financial statements.

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.

### 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 company acts as appointed representative for Private Medicine Intermediaries Limited, 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 company 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 company 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 enforceable.

# Corporate Medical Management Limited

## ACCOUNTING POLICIES

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### TURNOVER

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.

Turnover and pre tax profits are derived entirely from operations within the United Kingdom.

# Corporate Medical Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

1	OPERATING PROFIT	2008 £	2007 £
	Operating profit is stated after charging:		
	Auditors' remuneration – audit services	6,500	6,190
	Depreciation of owned fixed assets	50,312	50,553
	Operating leases – land and buildings	47,536	46,664
	Loss on disposal of fixed assets	1,545	4,699
		<u>          </u>	<u>          </u>
2	DIRECTORS' EMOLUMENTS	2008 £	2007 £
	Emoluments	326,552	329,436
	Pension fund contributions	22,965	26,528
		<u>          </u>	<u>          </u>
		349,517	355,964
		<u>          </u>	<u>          </u>
		2008 Number	2007 Number
	Members of defined contribution pension scheme	2	2
		<u>          </u>	<u>          </u>
		2008 £	2007 £
	Highest paid director:		
	Emoluments	131,282	126,660
	Pension fund contributions	10,769	10,506
		<u>          </u>	<u>          </u>
		142,051	137,166
		<u>          </u>	<u>          </u>

# Corporate Medical Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

3	STAFF COSTS	2008 £	2007 £
	Wages and salaries	1,104,066	1,110,866
	Social security costs	107,328	118,060
	Other pension costs	62,926	61,074
		<u>1,274,320</u>	<u>1,290,000</u>

The monthly average number of employees during the year was as follows:

	2008 Number	2007 Number
Medical staff	14	15
Management and administration	27	25
	<u>41</u>	<u>40</u>



# Corporate Medical Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

4	TAXATION	2008 £	2007 £
	Current tax:		
	UK corporation tax on profits for the year	14,235	47,078
	Adjustments in respect of previous years	-	-
	<b>Total current tax (see below)</b>	<b>14,235</b>	<b>47,078</b>
	Deferred taxation:		
	Origination and reversal of timing differences	2,187	(3,581)
		<b>2,187</b>	<b>(3,581)</b>
	<b>Tax on profit on ordinary activities</b>	<b>16,422</b>	<b>43,497</b>
	Factors affecting tax charge for year:	2008 £	2007 £
	The tax assessed for the year is lower than (2007: higher than) the standard rate of corporation tax in the UK 29.5% (2007: 30%). The differences are explained below:		
	Profit on ordinary activities before tax	67,982	148,621
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 29.5% (2007: 30%)	20,055	44,586
	Effects of:		
	Expenses not deductible for tax purposes	884	357
	Capital allowances (in excess of)/less than depreciation	(1,378)	3,587
	Other timing differences	73	(37)
	Small companies relief	(5,399)	(1,415)
	<b>Tax charge for year</b>	<b>14,235</b>	<b>47,078</b>

# Corporate Medical Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

5	DIVIDENDS	2008	2007
		£	£
	Equity:		
	Interim dividends	100,000	350,000

6	TANGIBLE FIXED ASSETS				
		Motor vehicles	Computer equipment	Fixtures, fittings and office equipment	Total
		£	£	£	£
	<i>Cost</i>				
	At beginning of year	41,253	367,678	143,077	552,008
	Additions	25,205	45,126	11,611	81,942
	Disposals	(22,500)	(17,833)	(20,091)	(60,424)
	At end of year	43,958	394,971	134,597	573,526
	<i>Depreciation</i>				
	At beginning of year	18,002	329,612	117,951	465,565
	Charged in the year	8,851	30,802	10,659	50,312
	Disposals	(15,375)	(17,226)	(18,617)	(51,218)
	At end of year	11,478	343,188	109,993	464,659
	<i>Net book value</i>				
	At 30 June 2008	32,480	51,783	24,604	108,867
	At 30 June 2007	23,251	38,066	25,126	86,443

# Corporate Medical Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

7	DEBTORS	2008 £	2007 £
	Trade debtors	450,964	414,783
	Amounts due to fellow subsidiary	6,671	-
	Deferred taxation (see note 10)	12,045	14,232
	Prepayments and accrued income	54,462	57,583
	Other debtors	-	35,000
		<u>524,142</u>	<u>521,598</u>
8	CREDITORS: Amounts falling due within one year	2008 £	2007 £
	Trade creditors	20,230	15,156
	Amounts owed to group undertakings	-	386,635
	Corporation tax	14,235	46,323
	Other taxation and social security costs	55,609	57,839
	Accruals and other creditors	85,026	106,757
		<u>175,100</u>	<u>612,710</u>
9	CREDITORS: Amounts falling due after more than one year	2008 £	2007 £
	Amounts owed to parent company	<u>20,000</u>	<u>20,000</u>

# Corporate Medical Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

10	DEFERRED TAXATION	£
	Deferred taxation	
	At beginning of year	14,232
	Charge in the year	(2,187)
	<b>At end of year</b>	<b>12,045</b>

The elements of deferred taxation are as follows:

	2008 £	2007 £
Difference between accumulated depreciation and amortisation and capital allowances	10,515	12,668
Other timing differences	1,530	1,564
<b>Deferred tax asset</b>	<b>12,045</b>	<b>14,232</b>

11	SHARE CAPITAL	2008 £	2007 £
	Authorised: Equity: 1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	Allotted, called up and fully paid: Equity: 165,002 ordinary shares of £1 each	165,002	165,002

12	PROFIT AND LOSS ACCOUNT	2008 £	2007 £
	Balance at beginning of year	242,538	487,414
	Profit for financial year	51,560	105,124
	Dividends paid	(100,000)	(350,000)
	<b>At end of year</b>	<b>194,098</b>	<b>242,538</b>

# Corporate Medical Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

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### 13 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. Contributions outstanding at the year end totalled £5,462 (2006: £5,338).

### 14 COMMITMENTS

At 30 June 2008 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2008	2007
	£	£
Operating leases which expire in over five years	52,600	46,664
	<u>          </u>	<u>          </u>
	2008	2007
	£	£
Capital expenditure contracted for but not provided for in the financial statements	-	7,421
	<u>          </u>	<u>          </u>

### 15 RELATED PARTY TRANSACTIONS

The group rented certain properties from CP Baldwin's pension trust, rental for the year amounted to £49,633 (2007: £46,664).

The following debtor balances existed at the year end:

	2008	2007
	£	£
CP Baldwin Pension Trust	39,450	70,000
	<u>          </u>	<u>          </u>

All transactions are at a commercial arms length basis.

# Corporate Medical Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

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### 16 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 2008 the VAT liability of the VAT group excluding that of the company was £10,436 2007: £7,178).

The bank holds a debenture against the company incorporating a fixed and floating charge over the current and future assets of the company.

### 17 PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The company's holding company is PMI Health Group Limited, a company incorporated in the United Kingdom. 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.

The largest group in which the results of the company are consolidated is that headed by Baldwin Ventures Limited. The smallest group in which the results of the company are consolidated is that headed by PMI Health Group Limited. The consolidated financial statements of these groups are available to the public and may be obtained from:

Companies House  
Crown Way  
Cardiff  
CF4 3UZ