

Corporate Medical Management Limited

REPORT AND FINANCIAL STATEMENTS

30 June 2009

Company Registration No. 02707678

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Corporate Medical Management Limited

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Corporate Medical Management Limited

DIRECTORS AND ADVISORS

DIRECTORS

CP Baldwin
RDH Munro
MI Davis
RE Floyd
SJ Langan
TA Smith
PM Forster
M Baldwin (appointed 30 September 2009)

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

The Directors submit their report and the financial statements of Corporate Medical Management Limited for the year ended 30 June 2009.

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

REVIEW OF BUSINESS

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.

The directors are satisfied with the company's performance.

RISKS AND UNCERTAINTIES

The board and management of the company 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 company are price fluctuations and competition pressure.

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.

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 company cashflow. We take the appropriate action to minimise this risk.

Corporate Medical Management Limited

DIRECTORS' REPORT (continued)

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 a final dividend on the ordinary shares of £250,000 (2008: £nil) and have paid no interim dividends (2008: £100,000).

DIRECTORS

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

CP Baldwin
RDH Munro
MI Davis
RE Floyd
SJ Langan
TA Smith
PM Forster
M Baldwin (appointed 30 September 2009)

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.

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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



RDH Munro
Secretary

21 November 2009

Corporate Medical Management 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 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;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 6 to 18. 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 company's affairs as at 30 June 2009 and of its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all 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

Corporate Medical Management Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2009

	Notes	2009 £	2008 £
TURNOVER		2,205,304	2,074,471
Administrative expenses		(2,117,174)	(2,006,489)
		<hr/>	<hr/>
OPERATING PROFIT	1 - 3	88,130	67,982
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		88,130	67,982
Taxation	4	(22,632)	(16,422)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	12	65,498	51,560
		<hr/>	<hr/>

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 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	6	76,637	108,867
CURRENT ASSETS			
Debtors	7	630,695	524,142
Cash at bank		740,929	612,466
		<u>1,371,624</u>	<u>1,136,608</u>
CREDITORS: Amounts falling due within one year	8	(302,133)	(175,100)
NET CURRENT ASSETS		<u>1,069,491</u>	<u>961,508</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,146,128</u>	<u>1,070,375</u>
CREDITORS: Amounts falling due after more than one year	9	(20,000)	(20,000)
DEFERRED INCOME		(701,530)	(691,275)
NET ASSETS		<u>424,598</u>	<u>359,100</u>
CAPITAL AND RESERVES			
Called up share capital	11	165,002	165,002
Profit and loss account	12	259,596	194,098
SHAREHOLDERS' FUNDS		<u>424,598</u>	<u>359,100</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 6 to 18 were approved by the board and authorised for issue on 26 November 2009 and were signed on its behalf by:-


RDH Munro
Director

26 November 2009

Company Registration No. 02707678

Corporate Medical Management Limited
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 30 June 2009

	2009	2008
	£	£
PROFIT FOR THE FINANCIAL YEAR	65,498	51,560
Dividends	-	(100,000)
	<hr/>	<hr/>
NET INCREASE/(REDUCTION IN) SHAREHOLDERS' FUNDS	65,498	(48,440)
Opening shareholders' funds	359,100	407,540
	<hr/>	<hr/>
CLOSING SHAREHOLDERS' FUNDS	424,598	359,100
	<hr/> <hr/>	<hr/> <hr/>

Corporate Medical Management Limited

ACCOUNTING POLICIES

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.

GOING CONCERN

The company'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 company is positive with cash at the bank and a strong balance sheet. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors believe that the company 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.

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 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 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.

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.

Corporate Medical Management Limited

ACCOUNTING POLICIES (continued)

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.

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 2009

1	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2009 £	2008 £
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Profit on ordinary activities is stated after charging:

Auditors' remuneration – audit services	6,850	6,500
Depreciation of owned fixed assets	44,798	50,312
Operating leases – land and buildings	60,968	47,536
Loss on disposal of fixed assets	23	1,545
	<u> </u>	<u> </u>

2	DIRECTORS' EMOLUMENTS	2009 £	2008 £
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Emoluments	251,884	326,552
Pension fund contributions	15,124	22,965
	<u> </u>	<u> </u>
	267,008	349,517
	<u> </u>	<u> </u>

	2009 Number	2008 Number
Members of defined contribution pension scheme	2	2
	<u> </u>	<u> </u>

	2009 £	2008 £
Highest paid director:		
Emoluments	139,260	131,282
Pension fund contributions	11,146	10,769
	<u> </u>	<u> </u>
	150,406	142,051
	<u> </u>	<u> </u>

Corporate Medical Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

3	STAFF COSTS	2009 £	2008 £
	Wages and salaries	1,051,305	1,104,066
	Social security costs	109,671	107,328
	Other pension costs	47,432	62,926
		<u>1,208,408</u>	<u>1,274,320</u>

The monthly average number of employees (including directors) during the year was as follows:

	2009 Number	2008 Number
Medical staff	14	14
Management and administration	25	27
	<u>39</u>	<u>41</u>

Corporate Medical Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

4	TAXATION	2009	2008
		£	£
	Current tax:		
	UK corporation tax on profits for the year	21,456	14,235
	Adjustments in respect of previous years	711	-
		<hr/>	<hr/>
	Total current tax (see below)	22,167	14,235
		<hr/>	<hr/>
	Deferred taxation:		
	Origination and reversal of timing differences	(349)	2,187
	Adjustment in respect of prior period	814	-
		<hr/>	<hr/>
		465	2,187
		<hr/>	<hr/>
	Tax on profit on ordinary activities	22,632	16,422
		<hr/>	<hr/>
	Factors affecting tax charge for year:	2009	2008
		£	£
	The tax assessed for the year is lower than (2008: lower 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	88,130	67,982
		<hr/>	<hr/>
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 28% (2008: 29.5%)	24,676	20,055
		<hr/>	<hr/>
	<i>Effects of:</i>		
	Expenses not deductible for tax purposes	110	884
	Fixed asset timing differences	902	(1,378)
	Other timing differences	(553)	73
	Small companies relief	(3,679)	(5,399)
	Adjustment in respect of previous periods	711	-
		<hr/>	<hr/>
	Tax charge for year	22,167	14,235
		<hr/>	<hr/>

Corporate Medical Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

5	DIVIDENDS	2009 £	2008 £
	Interim dividends	-	100,000

In respect of the current year, the directors propose that a dividend of £250,000 (151.5p per share) will be paid to the shareholder. This dividend is subject to approval by the shareholder at the Annual General Meeting and has not been included as a liability in these financial statements.

6	TANGIBLE FIXED ASSETS	Motor vehicles £	Computer equipment £	Fixtures, fittings and office equipment £	Total £
	<i>Cost</i>				
	At beginning of year	43,958	394,971	134,597	573,526
	Additions	-	11,306	9,286	20,592
	Disposals	(18,753)	(879)	(5,933)	(25,565)
	At end of year	25,205	405,398	137,950	568,553
	<i>Depreciation</i>				
	At beginning of year	11,478	343,188	109,993	464,659
	Charged in the year	6,604	30,440	7,754	44,798
	Disposals	(10,939)	(846)	(5,756)	(17,541)
	At end of year	7,143	372,782	111,991	491,916
	<i>Net book value</i>				
	At 30 June 2009	18,062	32,616	25,959	76,637
	At 30 June 2008	32,480	51,783	24,604	108,867

Corporate Medical Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

7	DEBTORS	2009 £	2008 £
	<i>Due within one year:</i>	514,600	450,964
	Trade debtors	514,600	450,964
	Amounts owed by group undertakings	460	6,671
	Deferred taxation (see note 10)	11,580	12,045
	Prepayments and accrued income	57,837	54,462
	Other debtors	46,218	-
		<u>630,695</u>	<u>524,142</u>
8	CREDITORS: Amounts falling due within one year	2009 £	2008 £
	Trade creditors	33,629	20,230
	Amounts owed to group undertakings	80,553	-
	Corporation tax	21,456	14,235
	Other taxation and social security costs	67,152	55,609
	Accruals and other creditors	99,343	85,026
		<u>302,133</u>	<u>175,100</u>
9	CREDITORS: Amounts falling due after more than one year	2009 £	2008 £
	Amounts owed to group undertakings	<u>20,000</u>	<u>20,000</u>

Corporate Medical Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

10	DEFERRED TAXATION	£
	Asset at beginning of year	12,045
	Charge in the year	(465)
	Asset at end of year	11,580

The elements of deferred taxation are as follows:

	2009 £	2008 £
Difference between accumulated depreciation and capital allowances	10,603	10,515
Other timing differences	977	1,530
Deferred tax asset	11,580	12,045

11	SHARE CAPITAL	2009 £	2008 £
	Authorised: 1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	Allotted, called up and fully paid: 165,002 ordinary shares of £1 each	165,002	165,002

12	PROFIT AND LOSS ACCOUNT	£
	Balance at beginning of year	194,098
	Profit for financial year	65,498
	Dividends paid	-
	At end of year	259,596

Corporate Medical Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

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 £3,488 (2008: £5,462).

14 COMMITMENTS

At 30 June 2009 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2009	2008
	£	£
Operating leases which expire in more than five years	52,600	52,600

15 RELATED PARTY TRANSACTIONS

CP Baldwin Pension Trust

The group rented certain properties from CP Baldwin's pension trust, rental for the year amounted to £60,968 (2008: £49,633).

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

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

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 Ventures limited
- 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 £9,083 (2008: £10,436).

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

Corporate Medical Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2009

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