

# **CORPORATE MEDICAL MANAGEMENT LIMITED**

Registered Number 02707678

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

### **Directors**

KJ Newman  
I Rinck

### **Registered Office**

51 Lime Street  
London, EC3M 7DQ

### **Auditor**

Deloitte LLP  
London

WEDNESDAY



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# **CORPORATE MEDICAL MANAGEMENT LIMITED**

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## CORPORATE MEDICAL MANAGEMENT LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

#### Company activities and review of developments

The Company provides employee benefits services including the design, implementation, communication and administration of employee benefits programmes. Benefits programmes include pension schemes, group death in service, income protection, private medical insurance, total reward strategies and absence management.

The Company is a subsidiary of Willis Towers Watson plc. Willis Towers Watson plc, together with its subsidiaries ('the Group'), is one of the world's leading professional service providers of risk management, insurance broking, consultancy, technology and solutions and private exchange services. The Company is regulated by the Financial Conduct Authority ('FCA'). The Company is domiciled and incorporated in the UK.

There have been no significant changes in the Company's principal activities in 2016. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

#### Results

Results for the current year represent the 12 month period to 31 December 2016. The prior year results comprise an 18 month period from 1 July 2014 to 31 December 2015.

The profit on ordinary activities after taxation amounted to £6,000 (18 months ended 31 December 2015: loss of £532,000) as shown in the profit and loss account on page 9. The increase in profit is attributable to:

- £1,257,000 reduction in operating expenses;
- £368,000 restructuring costs in 2015 not recurring in 2016;
- £82,000 increase in tax credit; and
- £10,000 increase in interest receivable,

partly offset by:

- £1,179,000 decrease in turnover.

#### Balance sheet

The balance sheet on page 10 of the financial statements shows the Company's financial position at the year end. Net assets have increased by £6,000 as a result of:

- £1,224,000 increase in debtors; and
- £393,000 reduction in long term creditors.

partly offset by:

- £1,366,000 increase in short term creditors;
- £160,000 reduction in deposits and cash;
- £51,000 reduction in intangible assets; and
- £34,000 reduction in tangible fixed assets.

The Group manages its operations on a divisional basis. For this reason, the Company's Directors believe that aggregated key performance indicators for the Company are not meaningful for an understanding of the development, performance or position of the business. The performance of the Group, which includes the Company, is discussed in the Group's financial statements which do not form part of this report.

## **CORPORATE MEDICAL MANAGEMENT LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

#### **Principal risks and uncertainties**

The Board considers the risks and uncertainties on a periodic basis including assessment of risk appetite and monitoring of risk against that appetite.

The principal risks and uncertainties facing the Company are:

Competition in the Company's specialised area remains strong across all business streams. However the Company is confident that it delivers value to clients through its service levels and unique expertise.

The Company has intercompany balances with fellow Group undertakings in currencies other than pounds sterling, its functional currency, and is therefore exposed to movements in exchange rates. The Group's treasury function takes out contracts to manage this risk at a Group level.

The Company is financed by its own monies and has no third party debt. It therefore has no third party interest rate exposure.

The Company is also exposed to additional risks by virtue of being part of the wider Group, including those relating to the vote in the United Kingdom to leave the European Union and subsequent invocation of Article 50 of the Treaty of Lisbon on 29 March 2017. These risks have been discussed in the Group's financial statements which do not form part of this report.

#### **Environment**

The Group recognises the importance of its environmental responsibilities and monitors its impact on the environment on a location by location basis, and designs and implements policies to reduce any damage that might be caused by the Group's activities.

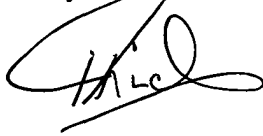
#### **Employees**

Details of the number of employees and related costs can be found in note 5 to the financial statements on page 17.

The Company is committed to the participation and involvement of employees in the Group's business and to facilitating their personal development to its maximum potential.

Communication with employees concerning the objectives and performance of the Group is conducted through staff briefings and regular meetings, complemented by employee publications and video presentations. Feedback is continually sought from staff on a variety of business, management and human resources issues. These communication tools provide employees with the opportunity to contribute to the everyday running of the business and to support the achievement of the Group's vision and business strategy.

By Order of the Board



I Rinck  
Director  
51 Lime Street  
London EC3M 7DQ

22 SEPTEMBER 2017



## **CORPORATE MEDICAL MANAGEMENT LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

The Directors present their annual report, together with the audited financial statements, for the year ended 31 December 2016.

#### **Merger with Towers Watson & Co.**

On 4 January 2016, pursuant to an Agreement and Plan of Merger, the Willis Group Holdings plc group and the Towers Watson & Co. group combined, with Towers Watson & Co. becoming a wholly-owned subsidiary of Willis Group Holdings plc. Immediately following the merger, Willis Group Holdings plc changed its name to Willis Towers Watson plc. The Company is not directly affected by this merger.

#### **Strategic report**

The Directors have approved the content of the Company's strategic report prepared in accordance with Section 414C of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The report provides an overview of the Company's activities and an analysis of its performance for the year ended 31 December 2016, along with the principal risks faced in achieving its future objectives.

#### **Going concern**

The Directors have a reasonable expectation that the Company has adequate support from Willis Towers Watson plc to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements on page 12.

#### **Dividends**

No interim dividend was paid in the year (18 month period to 31 December 2015: £nil). The Directors do not recommend the payment of a final dividend (18 month period to 31 December 2015: £nil).

#### **Employees**

It is the Group's policy, in keeping with the legislation in the countries in which it operates, to provide a working environment free from all forms of harassment and discrimination, including discrimination against disabled employees, with respect to employment continuity, training, career development and other employment practices.

#### **Directors**

The current Directors of the Company are shown on page 1, which forms part of this report. A Powis resigned as Director of the Company on 24 February 2016. KJ Newman was appointed with effect from 25 April 2016. There were no other changes in Directors during the year or after the year end.

## **CORPORATE MEDICAL MANAGEMENT LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

#### **Statement of Directors' responsibilities in relation to the financial statements**

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), including the Financial Reporting Standard 101, Reduced Disclosure Framework ('FRS 101'). 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

#### **Disclosure of information to the auditor**

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

#### **Auditor**

RSM UK Audit LLP resigned as auditor with effect from 21 December 2016. The members appointed Deloitte LLP as auditor to the company on the same day in accordance with the provisions in the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By Order of the Board



P Rinck  
Director  
51 Lime Street  
London EC3M 7DQ

22 SEPTEMBER 2017

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORPORATE MEDICAL MANAGEMENT LIMITED**

We have audited the financial statements of Corporate Medical Management Limited for the year ended 31 December 2016 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 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), including FRS 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORPORATE MEDICAL  
MANAGEMENT LIMITED (continued)**

**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.



Elanor Gill (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London  
UK

22 September 2017



**CORPORATE MEDICAL MANAGEMENT LIMITED**  
**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

			18 month period ended 31 December
	Notes	2016 £000	2015 £000
Turnover	3	2,376	3,555
Operating expenses		(2,474)	(3,731)
Restructuring costs	7	-	(368)
<b>Operating loss</b>	4	<b>(98)</b>	<b>(544)</b>
Interest receivable and similar income	8	10	-
<b>Loss on ordinary activities before taxation</b>		<b>(88)</b>	<b>(544)</b>
Tax credit on loss on ordinary activities	9	94	12
<b>Profit/(loss) for the year</b>		<b>6</b>	<b>(532)</b>

All activities derive from continuing operations.

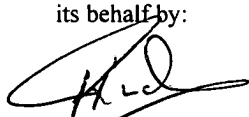
There is no other comprehensive income in either 2016 or the period ended 31 December 2015.

# CORPORATE MEDICAL MANAGEMENT LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	2016 £000	2015 £000
<b>Fixed assets</b>			
Intangible assets	10	44	95
Tangible fixed assets	11	33	67
		<u>77</u>	<u>162</u>
<b>Current assets</b>			
Debtors:			
Amounts falling due within one year	12	2,532	1,326
Amounts falling due after more than one year	12	18	-
Deposits and cash		244	404
		<u>2,794</u>	<u>1,730</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(2,910)	(1,544)
		<u>(2,910)</u>	<u>(1,544)</u>
<b>Net current (liabilities)/assets</b>		<u>(116)</u>	<u>186</u>
<b>Total assets less current liabilities</b>		<u>(39)</u>	<u>348</u>
Creditors: amounts falling due after more than one year	14	-	(393)
<b>Net liabilities</b>		<u>(39)</u>	<u>(45)</u>
<b>Equity</b>			
Called up share capital	15	165	165
Capital contribution reserve		172	172
Retained earnings		(376)	(382)
<b>Shareholder's deficit</b>		<u>(39)</u>	<u>(45)</u>

The financial statements of Corporate Medical Management Limited, registered company number 02707678, were approved by the Board of Directors and authorised for issue on 22 SEPTEMBER 2017 and signed on its behalf by:



I Rinck  
Director

# **CORPORATE MEDICAL MANAGEMENT LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Called up share capital £000</b>	<b>Capital contributi on reserve £000</b>	<b>Retained earnings £000</b>	<b>Total equity £000</b>
<b>Balance at 1 July 2014</b>	165	-	150	315
Loss for the 18 month period	-	-	(532)	(532)
Total comprehensive income for the period	-	-	(532)	(532)
Equity-settled share based payment transactions, net of £nil tax	-	172	-	172
<b>Balance at 31 December 2015</b>	<b>165</b>	<b>172</b>	<b>(382)</b>	<b>(45)</b>
Profit for the year	-	-	6	6
Total comprehensive income for the year	-	-	6	6
<b>Balance at 31 December 2016</b>	<b>165</b>	<b>172</b>	<b>(376)</b>	<b>(39)</b>

# **CORPORATE MEDICAL MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

### **1. Accounting policies**

#### **Basis of preparation**

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 and, consequently, has prepared these financial statements in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework ('FRS 101'). The prior year comparative information has been restated for material adjustments on adoption of FRS 101 in the current year (see note 18).

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

#### **Disclosure exemptions**

The Company has taken advantage of certain disclosure exemptions permitted under FRS 101 primarily in relation to: (i) financial instruments; (ii) presentation of a cash flow statement; and (iii) related party transactions as, where required, equivalent disclosures are given in the group accounts of Willis Towers Watson plc.

#### **Going concern**

The Company's business activities and the factors likely to affect its future development and position are set out in the Strategic Report. The Company's financial projections indicate that it will generate positive cash flows on its own account for the foreseeable future.

In accordance with their duties set out in the Financial Services and Markets Act and the FCA's 'Threshold Condition 2.4 - Appropriate Resources' the Directors have conducted enquiries into the nature and quality of the assets, liabilities, and cash that make up the Company's capital. Furthermore, the Directors' enquiries extend to the Company's relationship with the Group and external parties on a financial and non-financial level. Having assessed the responses to their enquiries, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Group to continue as a going concern or its ability to repay loans due to the Company from time to time.

As a consequence of the enquiries the Directors have a reasonable expectation that the Company has appropriate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

#### **True and fair view override**

In special disclosure circumstances, where compliance with any of the provisions of the Companies Act as to the matters to be included in a company's accounts (or notes thereto) is inconsistent with the requirement to give a true and fair view of the state of affairs and profit or loss, the directors shall depart from that provision to the extent necessary to give a true and fair view. In these instances, the Company would adopt a true and fair view override.

## **CORPORATE MEDICAL MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

#### **1. Accounting policies (continued)**

##### **Parent undertaking and controlling party**

The Company's:

- immediate parent company and controlling undertaking is PMI Health Group Limited; and
- ultimate parent company is Willis Towers Watson plc, a company incorporated in Ireland, whose registered office is Willis Towers Watson House, Elm Park, Merriem Road, Dublin 4, Ireland.

In accordance with Section 400 of the Companies Act 2006, the Company is exempt from the requirement to produce group financial statements.

The largest and smallest group in which the results of the Company are consolidated is Willis Towers Watson plc, whose financial statements are available to members of the public on the Group's website [www.willistowerswatson.com](http://www.willistowerswatson.com), in the Investor Relations section.

##### **Revenue recognition**

Revenue is recognised evenly over the life of a contract to ensure that the revenue recognised fairly matches the costs incurred in servicing those contracts.

Revenue is deferred if necessary for any significant post placement obligations.

Revenue is stated net of VAT where applicable.

##### **Interest receivable and interest payable**

Interest receivable and interest payable are recognised as interest accrues using the effective interest method.

##### **Foreign currency translation**

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates ('the functional currency').

Transactions in currencies other than the functional currency are initially recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange ruling at that date.

Exchange differences are recognised as profit or loss in the period in which they arise.

##### **Intangible assets**

Acquired intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is calculated on a straight-line basis to write off the cost of such assets over their estimated useful economic lives as follows:

Software and development costs	4 years
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## **CORPORATE MEDICAL MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

#### **1. Accounting policies (continued)**

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated on a straight-line basis to write off the cost of such assets over their estimated useful economic lives as follows:

Motor vehicles	5 years
Computer equipment	4 years
Fixtures, fittings and office equipment	4 years

Expenditure for improvements is capitalised; repairs and maintenance are charged to the income statement as incurred.

Tangible fixed assets are reviewed for impairment when events or changes in circumstance indicate that the carrying amount may not be recoverable. Any impairment in the value of tangible fixed assets is charged to the profit and loss account in the period in which the impairment occurs.

##### **Pension costs**

###### ***Defined contribution scheme***

A defined contribution scheme is a pension scheme under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods.

The costs of the defined contribution scheme in which the Company participates are charged to the profit and loss account as part of employee costs in the period in which they fall due. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

##### **Income Taxes**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements although deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred income taxes relate to the same tax authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

## **CORPORATE MEDICAL MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**

#### **1. Accounting policies (continued)**

##### **Financial assets and financial liabilities**

Financial assets and financial liabilities include cash and cash equivalents, trade debtors and other receivables as well as trade creditors and other payables (including amounts owed to/by group undertakings).

The Company classifies its financial assets and financial liabilities as loans, receivables or payables (including amounts owed by/to group undertakings). The classification is made by management at initial recognition and depends on the purpose for which the financial assets or financial liabilities were entered into.

Loans, receivables and payables are non-derivative financial assets or financial liabilities with fixed or determinable receipts or payments that are not quoted in an active market. Such financial assets or financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Any resulting interest is recognised in interest receivable or interest payable, as appropriate.

##### **Recent accounting pronouncements to be adopted in future periods**

In July 2015, the Financial Reporting Council ('FRC') issued amendments to FRS 101 as part of its 2014-2015 cycle and other minor amendments. In July 2016, the FRC issued further amendments to FRS 101 as part of its 2015-2016 cycle. Each amendment not already effective for the Company's 2016 accounting year will be mandatorily effective for the Company's 2017 or 2018 accounting year. The changes include the following standards issued by the IASB and endorsed by the EU but effective after 31 December 2016: (i) IFRS 15, 'Revenue From Contracts With Customers', whose core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services; and (ii) IFRS 9 'Financial Instruments', which includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. In January 2016, the IASB issued IFRS 16 'Leases', which introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value and, subject to EU and/or any other required UK endorsement, will become mandatorily effective for the Company at the beginning of its 2019 accounting year. The Company is currently assessing the impact that these standards will have on its financial statements.

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#### **2. Critical accounting judgements and estimates**

The preparation of financial statements in conformity with FRS 101 and in the application of the Company's accounting policies, which are described in note 1, requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the dates of the financial statements and the reported amounts of revenues and expenses during the year. Judgements, estimates and assumptions are made about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## CORPORATE MEDICAL MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

#### 2. Critical accounting judgements and estimates (continued)

The following are the critical judgements that management has made in the process of applying the Company's accounting policies and/or the key assumptions or sources of uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### ***Impairment of loans and receivables***

Management judgement is required to assess at the end of each reporting period whether there is any objective evidence that loans and receivables are impaired and, if so, to determine the amount of any impairment loss. See note 12 for the carrying amount of loans and receivables. No impairment loss was recognised in 2016 or the period ended 31 December 2015.

##### ***Taxation***

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are given in note 9.

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#### 3. Turnover

The table below analyses the Company's commissions and fees by the accounting address of the client from whom the business is derived. This does not necessarily reflect the original source or location of the business. Commissions and fees are attributable to continuing operations.

	18 month period to 31 December	
	2016	2015
Turnover	£000	£000
United Kingdom	2,482	3,555

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No further analysis has been provided as all business is carried out in the UK.



# CORPORATE MEDICAL MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

	2016	18 month period to 31 December 2015
	£000	£000
<b>4. Operating loss</b>		
Operating loss is stated after charging/(crediting):		
Depreciation of tangible fixed assets (note 11)	31	62
Amortisation of intangible assets (note 10)	51	90
Operating lease payments	52	78
<i>Auditor's remuneration</i>		
	2016	18 month period to 31 December 2015
	£000	£000
Statutory accounts audit fee	14	7
	14	7

	2016	18 month period to 31 December 2015
	£000	£000
<b>5. Employee costs</b>		
Salaries and incentives	1,533	2,062
Social security costs	139	198
Pension costs:		
- defined contribution scheme	87	156
<b>Net employee costs</b>	<b>1,759</b>	<b>2,416</b>

	2016	2015
	Number	Number
<b>Number of employees – average for the period</b>		
Producer	14	19
Management/administration services	27	40
	41	59

# CORPORATE MEDICAL MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

	2016	18 month period to 31 December 2015
	£000	£000
<b>6. Directors' remuneration</b>		
Emoluments (excluding pension contributions, benefits and long-term incentive awards)	-	22
Pension contributions	-	1
	-	23

The Directors working for the Company are employed by other subsidiary undertakings of Willis Towers Watson plc.

	2016	18 month period to 31 December 2015
	£000	£000
<b>7. Restructuring costs</b>		
Restructuring costs	-	368

The restructuring costs of £368,000 in the period ended 2015 are related to the restructuring of the PMI Health Group Limited group and the subsequent sale of the group to Willis Towers Watson plc.

	2016	18 month period to 31 December 2015
	£000	£000
<b>8. Interest receivable and similar income</b>		
Bank interest receivable	1	-
Interest receivable from Group undertakings	9	-
<b>Total interest receivable and similar income</b>	<b>10</b>	<b>-</b>

# CORPORATE MEDICAL MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

	2016	18 month period to 31 December 2015
	£000	£000
<b>9. Tax on loss on ordinary activities</b>		
<i>(a) Analysis of credit for the year</i>		
<b>Current tax:</b>		
UK corporation tax	(12)	-
Adjustments in respect of prior periods	(76)	-
Total current income tax	(88)	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(6)	(13)
Impact of changes in tax rates	3	-
Adjustments in respect of prior periods	(3)	1
Total deferred tax (note 9 (d))	(6)	(12)
<b>Tax credit in the income statement (note 9 (b))</b>	(94)	(12)

	2016	18 month period to 31 December 2015
	£000	£000
<i>(b) Reconciliation of the total tax charge</i>		
The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK (20%) (2015: 20.5%). The differences are explained below:		
Loss on ordinary activities before taxation	(88)	(544)
Tax calculated at UK standard rate of corporation tax of 20% (2015: 20.5%)	(18)	(111)
Effects of:		
Expenses not deductible for tax purposes	-	35
Adjustment in respect of employee share benefit scheme	-	(58)
Timing difference on general provision	-	(1)
Tax overprovided in previous years	(79)	-
Revenue losses	-	1
Timing differences on fixed assets	-	14
Other adjustment including effects of exchange rates	3	108
<b>Total tax credit reported in the income statement</b>	(94)	(12)

### *(c) Change in corporation tax rate*

The Finance Act 2013 set the rate of UK corporation tax at 20% with effect from 1 April 2015. The Finance Act 2015 maintained this rate for the year from 1 April 2016. The Finance (No.2) Act 2015, which was substantively enacted on 26 October 2015 and received royal assent on 18 November 2015, reduced the rate to 19% with effect from 1 April 2017 with a further reduction to 18% from 1 April 2020. The Finance Act 2016, which received royal assent on 15 September 2016, subsequently reduced the main rate of corporation tax from 18% to 17% from 1 April 2020. As the changes were substantively enacted prior to 31 December 2016, they have been reflected in these financial statements.

# CORPORATE MEDICAL MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

### 9. Tax on profit/(loss) on ordinary activities (continued)

	2016	18 month period to 31 December 2015
	£000	£000
<b>(d) Deferred tax</b>		

The deferred tax included in the company balance sheet is as follows:

<b>Deferred tax asset</b>		
Capital allowances	18	12
	<u>18</u>	<u>12</u>

Deferred tax assets have been recognised to the extent they are regarded as more likely than not as being recoverable either against the Company's own future profits or by way of group relief against those future profits of fellow UK Group companies.

	2016	18 month period to 31 December 2015
	£000	£000
<b>Deferred tax in the income statement</b>		
Accelerated capital allowances	(6)	(13)
Changes in tax laws and rates	-	1
	<u>(6)</u>	<u>(12)</u>

	Software and development costs £000
<b>10. Intangible assets</b>	
<i>Cost</i>	
1 January 2016	504
31 December 2016	<u>504</u>
<i>Amortisation</i>	
1 January 2016	409
Amortisation charge	51
31 December 2016	<u>460</u>
<i>Carrying amount 31 December 2016</i>	<u>44</u>
<i>Carrying amount 31 December 2015</i>	<u>95</u>

# CORPORATE MEDICAL MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

<b>11. Tangible fixed assets</b>	<b>Total tangible fixed assets £000</b>
<i>Cost</i>	
1 January 2016	469
Additions	5
Disposals	(24)
31 December 2016	<u>450</u>
<i>Depreciation</i>	
1 January 2016	402
Charge for the year	31
Disposals	(16)
31 December 2016	<u>417</u>
<i>Carrying amount 31 December 2016</i>	<u>33</u>
<i>Carrying amount 31 December 2015</i>	<u>67</u>

<b>12. Debtors</b>	<b>2016 £000</b>	<b>2015 £000</b>
<i>Amounts falling due within one year:</i>		
Trade debtors	457	554
Amounts owed by Group undertakings	2,011	701
Prepayments and accrued income	52	59
Amounts owed by Group undertakings in respect of UK corporation tax	12	-
Deferred tax asset (note 9)	-	12
	<u>2,532</u>	<u>1,326</u>
<i>Amounts falling due after more than one year:</i>		
Deferred tax asset (note 9)	18	-
	<u>2,550</u>	<u>1,326</u>

<b>13. Creditors: amounts falling due within one year</b>	<b>2016 £000</b>	<b>2015 £000</b>
Amounts owed to Group undertakings	2,266	1,446
Income tax and social security	22	32
Other creditors	105	46
Accruals and deferred income	517	20
	<u>2,910</u>	<u>1,544</u>

Accruals includes pension contributions outstanding of £nil (2015: £5,000).

# CORPORATE MEDICAL MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

	2016 £000	2015 £000
<b>14. Creditors: amounts falling due after more than one year</b>		
Accruals and deferred income	-	393
	-	393

	2016 £000	2015 £000
<b>15. Called up share capital</b>		
Allotted, called up and fully paid		
165,002 (2015: 165,002) ordinary shares of £1 each	165	165

### 16. Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings	
	2016 £000	2015 £000
<b>Lease expiry date</b>		
After five years	53	53
Total annual operating lease commitments	53	53

### 17. Related party transactions

FRS101 (paragraph 8(k)) exempts the reporting of transactions between Group companies in the financial statements of companies that are wholly owned within the Group. The Company has taken advantage of this exemption.

The Company rented certain properties from the pension trust of CP Baldwin, who was a former director and shareholder of Baldwin Ventures Limited (the Company's former ultimate parent company). Rental for the period 1 July 2014 to 18 June 2015, when he resigned as a director, was £65,000.

### 18. Explanation of transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2016, the comparative information presented in these financial statements for the year ended 31 December 2015 and in the preparation of an opening FRS 101 balance sheet at 1 July 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (old UK GAAP). An explanation of how the transition from old UK GAAP to FRS 101 has affected the Company's financial position is set out in the following tables and the notes that accompany the tables.

# CORPORATE MEDICAL MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

### 18. Explanation of transition to FRS 101 (continued)

*Reconciliation of equity 1 July 2014*

		1 July 2014		
		Effect of transition to		
		Old UK GAAP	FRS 101	FRS 101
	Notes	£000	£000	£000
<b>Fixed assets</b>				
Intangible assets	(i)	-	136	136
Tangible assets	(ii)	240	(136)	104
		<u>240</u>	<u>-</u>	<u>240</u>
<b>Current assets</b>				
Debtors: amounts falling due within one year		928	-	928
Deposits and cash		<u>670</u>	<u>-</u>	<u>670</u>
		1,598	-	1,598
<b>Current liabilities</b>				
Creditors: amounts falling due within one year		<u>(772)</u>	<u>-</u>	<u>(772)</u>
<b>Net current assets</b>		<u>826</u>	<u>-</u>	<u>826</u>
<b>Total assets less current liabilities</b>		1,066	-	1,066
Creditors: amounts falling due after more than one year		<u>(750)</u>	<u>-</u>	<u>(750)</u>
<b>Net assets</b>		<u>316</u>	<u>-</u>	<u>316</u>
<b>Equity</b>				
Called up share capital		165	-	165
Retained earnings		<u>151</u>	<u>-</u>	<u>151</u>
<b>Shareholder's equity</b>		<u>316</u>	<u>-</u>	<u>316</u>

*Notes to the reconciliation of equity*

	1 July 2014
	£000
Equity reported under UK GAAP	316
<b>Adjustments to equity on transition to FRS 101</b>	
(i) Software and development costs included in intangible assets	136
(ii) Software and development costs removed from tangible fixed assets	<u>(136)</u>
Equity reported under FRS 101	<u>316</u>

# CORPORATE MEDICAL MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

### 18. Explanation of transition to FRS 101 (continued)

#### Reconciliation of equity 31 December 2015

		31 December 2015		
			Effect of	
	Notes	Old UK GAAP	transition to	FRS 101
		£000	FRS 101	£000
			£000	
<b>Fixed assets</b>				
Intangible assets	(i)	-	95	95
Tangible assets	(ii)	162	(95)	67
		162	-	162
<b>Current assets</b>				
Debtors: amounts falling due within one year		1,326		1,326
Deposits and cash		404	-	404
		1,730	-	1,730
<b>Current liabilities</b>				
Creditors: amounts falling due within one year		(1,544)	-	(1,544)
<b>Net current assets</b>		186		186
<b>Total assets less current liabilities</b>		348		348
Creditors: amounts falling due after more than one year		(393)	-	(393)
<b>Net assets</b>		(45)	-	(45)
<b>Equity</b>				
Called up share capital		165		165
Capital contribution		172	-	172
Retained earnings		(382)		(382)
<b>Shareholder's equity</b>		(45)		(45)

#### Notes to the reconciliation of equity

31 December  
2015  
£000

Equity reported under UK GAAP (45)

#### Adjustments to equity on transition to FRS 101

(i) Software and development costs included in intangible assets 95

(ii) Software and development costs removed from tangible fixed assets (95)

Equity reported under FRS 101 (45)