

OBC Insurance Consultants Limited  
Annual report  
for the year ended 31 December 1995

Registered no: 320321



# **OBC Insurance Consultants Limited**

## **Annual report for the year ended 31 December 1995**

	<b>Pages</b>
<b>Directors' report</b>	<b>1 - 2</b>
<b>Statement of directors' responsibilities</b>	<b>2</b>
<b>Report of the auditors</b>	<b>3</b>
<b>Profit and loss account</b>	<b>4</b>
<b>Balance sheet</b>	<b>5</b>
<b>Notes to the financial statements</b>	<b>6 - 11</b>

**Directors' report  
for the year ended 31 December 1995**

The directors present their report and the audited financial statements for the year ended 31 December 1995.

**Principal activity**

The company's principal activity is that of insurance consultants.

**Review of business**

The directors are satisfied with the performance of the company and do not envisage any change in the principal activity in the ensuing year.

**Dividend and transfer to reserves**

The directors do not recommend the payment of a dividend. The profit for the year of £169,952 has been transferred to reserves.

**Directors**

The directors who served throughout the year, unless otherwise stated, were as follows:

R Paston  
J Shipley  
M J Vaughan (appointed 17 July 1995)

Mr R Paston is a director of the ultimate parent company Secure Trust Group PLC and his interest in the share capital of group companies is shown in the director's report of that company.

At 1 January 1995 and 31 December 1995 Mr J Shipley had a beneficial interest in 1,500 ordinary shares of 1p each in the share capital of Secure Trust Group PLC, the company's ultimate parent company.

On 31 October 1995 Mr Vaughan was granted options on 30,000 ordinary shares in Secure Trust Group PLC at an option price of 533p, exercisable within three and seven years of the date of their grant.

**Directors' report (continued)****Changes in presentation of the financial statements**

In preparing these financial statements the directors have taken advantage of the amendment to FRS 5 "Reporting the substance of transactions: Insurance broking transactions and financial reinsurance" which defers the offset requirements of FRS 5, to the extent that they relate to insurance transactions, until accounting periods ending on or after 22 September 1996.

**Directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.


The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Auditors**

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



J R Kaye

Secretary

3 April 1996

**Report of the auditors to the members of  
OBC Insurance Consultants Ltd**

We have audited the financial statements on pages 4 to 11.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

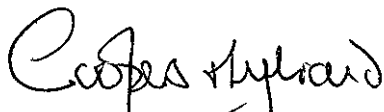
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Coopers & Lybrand**

Chartered Accountants and Registered Auditors  
Birmingham  
3 April 1996

**Profit and loss account  
for the year ended 31 December 1995**

	Notes	1995 £	1994 £
Turnover	1/4	2,540,370	2,795,588
Administrative expenses		2,289,561	2,323,664
		<hr/>	<hr/>
Profit on ordinary activities before taxation	4	250,809	471,924
Taxation	5	80,857	180,576
		<hr/>	<hr/>
Profit on ordinary activities after taxation		169,952	291,348
Dividend		-	500,000
		<hr/>	<hr/>
Retained profit/(loss) for the year	12	169,952	(208,652)
		<hr/>	<hr/>

The company has no recognised gains and losses other than those included in the profits/(losses) above, and therefore no separate statement of recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit/(losses) for the year stated above, and their historical cost equivalents.

The above results relate wholly to continuing activities.

**Balance sheet  
at 31 December 1995**

	Notes	1995 £	1994 £
<b>Fixed assets</b>			
Tangible assets	6	725,251	840,763
<b>Current assets</b>			
Debtors	7	4,116,773	2,735,503
Property held for resale		60,000	60,000
		4,176,773	2,795,503
<b>Creditors: amounts falling due within one year</b>	8	7,362,253	6,249,928
<b>Net current liabilities</b>		(3,185,480)	(3,454,425)
<b>Total assets less current liabilities</b>		(2,460,229)	(2,613,662)
<b>Creditors: amounts falling due after more than one year</b>	9	-	3,000
<b>Provisions for liabilities and charges</b>	10	-	13,519
<b>Net liabilities</b>		(2,460,229)	(2,630,181)
<b>Capital and reserves</b>			
Called up share capital	11	360	360
Profit and loss account	12	226,389	227,887
Goodwill reserve	13	(2,686,978)	(2,858,428)
<b>Equity shareholders' funds</b>		(2,460,229)	(2,630,181)

The financial statements on pages 4 to 11 were approved by the board of directors on 3 April 1996 and were signed on its behalf by:



**R Paston  
Director**

**Notes to the financial statements  
for the year ended 31 December 1995****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below.

**Basis of accounting**

The financial statements have been prepared on the historical cost basis of accounting and on a going concern basis. The ultimate parent company Secure Trust Group PLC has acknowledged that it will provide continued financial support to the company to enable the business to continue as a going concern for the foreseeable future.

**Depreciation**

Depreciation is charged on a straight line basis from the month of purchase, to write down the cost of tangible fixed assets over their estimated useful lives applying the following annual rates:

Freehold buildings	2%
Office equipment	15% - 20%
Motor vehicles	25%

Freehold land is not depreciated.

**Turnover**

Turnover represents brokerage and other commissions. Commissions are included in the profit and loss account from the inception of an agency contract.

**Goodwill**

Goodwill arising on the acquisition of businesses is calculated as the difference between the fair value of the separable net assets acquired and the fair value of the consideration, and is written off to a goodwill reserve. Equal annual transfers are made from the profit and loss reserve to eliminate this goodwill over its estimated economic life of 20 years.

**Deferred taxation**

Provision for deferred taxation is made only where a liability is expected to arise in the foreseeable future. Provisions are calculated at the current rate of corporation tax.



## 1 Principal accounting policies (continued)

### Pension costs

The company contributes to individual defined contribution pension schemes for the benefit of certain employees. The company's contributions, which are determined annually, are charged against profits in the year in which they are payable.

### Operating leases

Operating lease rentals are charged to profit and loss account as incurred.

### Cash flow statement

The company is a wholly owned subsidiary of Secure Trust Bank PLC (formerly Secure Homes Limited), which is itself a wholly owned subsidiary of Secure Trust Group PLC, and the cash flows of the company are included in the consolidated group cash flow statement of Secure Trust Group PLC. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

## 2 Director's emoluments

	1995 £	1994 £
Emoluments (including pension contributions and benefits in kind)	<u>26,499</u>	<u>Nil</u>

The emoluments of the highest paid director, excluding pension contributions, were £25,880. The following table shows the number of directors of the company receiving emoluments, excluding pension contributions, within the bands stated.

	1995 £	1994 £
£Nil - £5,000	2	2
£25,001 - £30,000	<u>1</u>	<u>-</u>

The emoluments of Mr Paston and Mr Shipley are paid by the immediate parent company which makes no recharge to the company. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent company.

### 3 Employee information

By activity:	1995 Number	1994 Number
Administration	105	109
	<u>105</u>	<u>109</u>
	1995 £	1994 £
Staff costs:		
Wages and salaries	1,129,958	1,178,110
Social security costs	88,994	99,481
Other pension costs (see note 16)	2,550	3,062
	<u>1,221,502</u>	<u>1,280,653</u>

### 4 Turnover and profit on ordinary activities before taxation

No analysis of turnover or profit before taxation by activity or geographical area is given as the company is involved in only one activity which arises entirely in the United Kingdom.

	1995 £	1994 £
Profit on ordinary activities before taxation is stated after crediting:		
Rent receivable	21,200	17,000
Profit on disposal of fixed assets	5,325	3,170
	<u>21,200</u>	<u>17,000</u>
And after charging:		
Depreciation on tangible fixed assets	162,609	152,264
Auditors' remuneration	16,000	15,750
Equipment rentals	39,459	37,589
Recharge with respect to use of shared facilities	61,200	55,000
Other operating lease rentals	182,392	168,656
	<u>461,660</u>	<u>428,259</u>

### 5 Taxation

	1995 £	1994 £
United Kingdom corporation tax at 33% (1994: 33%)		
Current	106,246	185,528
Deferred	(11,086)	-
Over provision in respect of prior years		
Current	(11,870)	-
Deferred	(2,433)	(4,952)
	<u>80,857</u>	<u>180,576</u>

**6 Tangible fixed assets**

	Freehold property £	Office equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 1995	480,000	608,408	100,556	1,188,964
Additions	-	15,158	43,114	58,272
Disposals	-	-	(38,096)	(38,096)
<b>At 31 December 1995</b>	<b>480,000</b>	<b>623,566</b>	<b>105,574</b>	<b>1,209,140</b>
<b>Depreciation</b>				
At 1 January 1995	33,000	275,403	39,798	348,201
Charge for year	12,000	123,651	26,958	162,609
Disposals	-	-	(26,921)	(26,921)
<b>At 31 December 1995</b>	<b>45,000</b>	<b>399,054</b>	<b>39,835</b>	<b>483,889</b>
<b>Net book value</b>				
At 31 December 1995	435,000	224,512	65,739	725,251
Net book value				
At 31 December 1994	447,000	333,005	60,758	840,763

**7 Debtors**

	1995 £	1994 £
<b>Amounts falling due within one year</b>		
Trade debtors	697,661	703,924
Amounts owed by group undertakings	3,326,898	1,917,584
Other debtors	22,000	33,043
Prepayments and accrued income	70,214	80,952
	<b>4,116,773</b>	<b>2,735,503</b>

**8 Creditors: amounts falling due within one year**

	1995 £	1994 £
Trade creditors	898,354	1,360,757
Amounts owed to group undertakings	6,126,264	4,640,765
Corporation tax	274,696	185,528
Other taxation and social security payable	31,555	29,408
Other creditors	3,000	3,000
Accruals and deferred income	28,384	30,470
	<b>7,362,253</b>	<b>6,249,928</b>

**9 Creditors: amounts falling due after more than one year**

	1995	1994
	£	£
Other creditors	-	3,000
	<u>          </u>	<u>          </u>

**10 Provisions for liabilities and charges**

**Deferred taxation**

Full provision has been made in the financial statements for deferred taxation as follows:

	1995	1994
	£	£
Tax effect of timing differences because of: Excess of tax allowances over depreciation	-	13,519
	<u>          </u>	<u>          </u>

The movement on the deferred taxation account is as follows:

	£
At 1 January 1995	13,519
Profit and loss account	(13,519)
	<u>          </u>
At 31 December 1995	-
	<u>          </u>

**11 Called-up share capital**

	1995	1994
	£	£
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
360 ordinary shares of £1 each	360	360
	<u>          </u>	<u>          </u>

**12 Profit and loss account**

	£
At 1 January 1995	227,887
Profit for the year	169,952
Transfer to goodwill reserve	(171,450)
	<u>          </u>
At 31 December 1995	226,389
	<u>          </u>

**13 Goodwill Reserve**

	£
At 1 January 1995	(2,858,428)
Transfer from profit and loss account	171,450
	<hr/>
At 31 December 1995	<u>(2,686,978)</u>

**14 Reconciliation of movements in equity shareholders' funds**

	1995 £	1994 £
Profit/(loss) on ordinary activities after tax	169,952	291,348
Dividend	-	500,000
	<hr/>	<hr/>
Profit/(loss) retained for the year	169,952	(208,652)
Opening shareholders' funds	(2,630,181)	(2,421,529)
	<hr/>	<hr/>
Closing shareholders' funds	<u>(2,460,229)</u>	<u>(2,630,181)</u>

**15 Financial commitments**

At 31 December 1995 the company had annual commitments under non-cancellable operating leases as follows:

	1995		1994	
	Property rentals £	Other £	Property rentals	Other
<b>Expiring:</b>				
Within one year	19,150	8,362	18,950	4,848
Between two and five years	87,156	38,523	77,260	29,819
After five years	76,086	-	91,182	11,590
	<hr/>	<hr/>	<hr/>	<hr/>

**16 Pension arrangements**

The company makes contributions to individual defined contribution pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the company in independently administered schemes. The pension cost charge represents contributions payable by the company and is shown in note 3.

**17 Ultimate parent company**

The directors regard Secure Trust Group PLC, a company registered in England and Wales, as the ultimate parent company.

A copy of the consolidated financial statements of Secure Trust Group PLC may be obtained from The Secretary, Secure Trust Group PLC, 23/27 Heathfield Road Birmingham B14 7BY.