

COMPANY NO: 00762583

**NEWBOLD INSURANCE SERVICES LIMITED**

**ACCOUNTS**

**YEAR ENDED 31ST DECEMBER 1999**



**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999**

The Directors present their report and the audited accounts of the Company for the year ended 31 December 1999.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company is insurance services.

**DIRECTORS**

The Directors who served during the year and their beneficial interests in the Company's issued ordinary share capital were:-

	<b>Ordinary Shares of £1 each</b>	
	<b>31.12.99</b>	<b>31.12.98</b>
G C Higginbotham	Nil	Nil
G A Higginbotham	Nil	Nil

The directors' interests in the share capital of the holding company are disclosed in the accounts of that company.

**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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.

This report was approved by the Board on 24 March 2000 and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board of Directors



G.C. Higginbotham

Director

**PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 1999**

	<b>Notes</b>	<b>1999 £</b>	<b>1998 £</b>
<b>TURNOVER</b>	<b>2</b>	258,770	251,295
Administrative Expenses		213,737	231,357
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	<b>3</b>	45,033	19,938
Interest Payable		-	103
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		45,033	19,835
<b>TAXATION</b>	<b>4</b>	12,220	5,676
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		32,813	14,159
<b>DIVIDENDS</b>		-	-
		<hr/>	<hr/>
<b>RETAINED PROFIT FOR THE YEAR</b>	<b>11</b>	32,813	14,159
		<hr/> <hr/>	<hr/> <hr/>

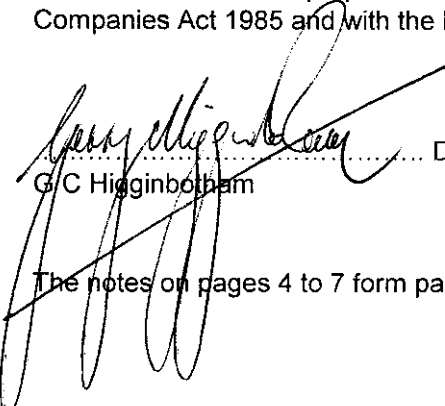
The notes on pages 4 to 7 form part of these financial statements.

## BALANCE SHEET AS AT 31 DECEMBER 1999

	Notes	1999 £	1998 £
<b>FIXED ASSETS</b>			
Intangible Assets	5	-	15,672
Tangible Assets	6	13,939	9,576
		<u>13,939</u>	<u>25,248</u>
<b>CURRENT ASSETS</b>			
Debtors	7	322,634	344,493
Cash at Bank and in Hand		147,081	127,474
		<u>469,715</u>	<u>471,967</u>
<b>CREDITORS: Amounts Falling Due Within One Year</b>	8	<u>236,091</u>	<u>279,023</u>
<b>NET CURRENT ASSETS</b>		<u>233,624</u>	<u>192,944</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		247,563	218,192
<b>CREDITORS: Amounts Falling Due After More Than One Year</b>	9	<u>-</u>	<u>3,442</u>
		<u>247,563</u>	<u>214,750</u>
<b>CAPITAL AND RESERVES</b>			
Called Up Share Capital	10	1,500	1,500
Profit and Loss Account	11	246,063	213,250
<b>SHAREHOLDERS' FUNDS</b>	12	<u>247,563</u>	<u>214,750</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 December 1999 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

Approved by the board of directors on 24 March 2000 and signed on its behalf. The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

 Director  
G.C. Higginbotham

The notes on pages 4 to 7 form part of these financial statements.

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1999

## 1 ACCOUNTING POLICIES

**Basis of preparation of accounts**

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

**Insurance Commission**

Insurance commission is taken into profit on the amount due to insurers at the balance sheet date based on expected commission.

**Intangible Assets**

Goodwill is written off at the rate of 20% per annum excluding the year of acquisition.

**Tangible Fixed Assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold improvements	-	10% on cost
Fixtures and Fittings	-	25% on cost
Motor Vehicles	-	25% on cost

**Operating Leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

**Insurance Assets and Liabilities**

The company acts as an agent in broking the insurable risks of its clients and, generally, is not liable as principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the company's legal relationship with clients and underwriters it has followed generally accepted accounting practice by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the company.

**Leasing and Hire Purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant charge.

**NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1999**

**2 TURNOVER**

Turnover represents commissions receivable during the period. All turnover was generated in the United Kingdom.

**3 OPERATING PROFIT**

	<b>1999</b>	<b>1998</b>
Depreciation of tangible fixed assets - owned by the company	1,816	7,446
- held under Finance Leases	941	941
Amortisation of Intangible Assets	15,672	14,300
(Profit) on Disposal of Assets	-	(4,999)
Directors' Emoluments	54,000	44,000
Operating Lease Charges	3,329	3,329

**4 TAXATION**

	<b>1999</b>	<b>1998</b>
U K Corporation Tax at 21% & 20% (1998 - 21%)	12,220	5,672
Adjustment - Prior Year	-	4
	<u>12,220</u>	<u>5,676</u>

**5 INTANGIBLE ASSET - GOODWILL**

	<b>1999</b>
Cost 1 January 1999	71,501
Additions	-
Disposals	-
At 31 December 1999	<u>71,501</u>
Amortisation 1 January 1999	55,829
Charge for the Year	15,672
Disposals	-
At 31 December 1999	<u>71,501</u>
Net Book Value 1999	-
At 31 December 1999	-
At 31 December 1998	<u>15,672</u>

**6 TANGIBLE FIXED ASSETS**

	<b>Leasehold Improvements</b>	<b>Fixtures &amp; Fittings</b>	<b>Total</b>
<b>Cost or Valuation</b>			
At 1 January 1999	20,452	25,393	45,845
Additions	7,120	-	7,120
Disposals	-	-	-
At 31 December 1999	<u>27,572</u>	<u>25,393</u>	<u>52,965</u>
<b>Depreciation</b>			
At 1 January 1999	10,877	25,392	36,269
On Disposals	-	-	-
Charge for Year	2,757	-	2,757
At 31 December 1999	<u>13,634</u>	<u>25,392</u>	<u>39,026</u>
<b>Net Book Values</b>			
At 31 December 1999	<u>13,938</u>	<u>1</u>	<u>13,939</u>
At 31 December 1998	<u>9,575</u>	<u>1</u>	<u>9,576</u>

Included in the net book value of leasehold improvements above are assets held under finance leases amounting to £7,527 (1998 - £8,460)

## NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1999

**7 DEBTORS**

	<b>1999</b>	<b>1998</b>
Debtors in respect of insurance transactions	17,085	33,769
Amount due from holding company	298,393	222,377
Other debtors and prepayments	7,156	88,347
	<u>322,634</u>	<u>344,493</u>

**8 CREDITORS: Amounts Falling Due Within One Year**

	<b>1999</b>	<b>1998</b>
Creditors in respect of insurance transactions	160,887	191,045
Current corporation tax	12,220	5,672
Other taxes and social security costs	4,134	4,424
Other creditors & accruals	55,409	74,128
Net obligation under Finance Leases	3,441	3,754
	<u>236,091</u>	<u>279,023</u>

**9 CREDITORS: Amounts Falling Due After More Than One Year**

	<b>1999</b>	<b>1998</b>
Net obligations under Finance Leases	-	3,446

**10 CALLED UP SHARE CAPITAL**

	<b>1999</b>	<b>1998</b>
Authorised, Issued and Fully Paid 1,500 Ordinary Shares of £1 each	<u>1,500</u>	<u>1,500</u>

**11 PROFIT AND LOSS ACCOUNT**

	<b>1999</b>	<b>1998</b>
Balance at 1 January 1999	213,250	199,091
Profit Retained for the Year	32,813	14,159
Balance at 31 December 1999	<u>246,063</u>	<u>213,250</u>

**12 SHAREHOLDERS' FUNDS**

	<b>1999</b>	<b>1998</b>
Profit Retained for the Year	32,813	14,159
Shareholders' Funds at 1 January 1999	214,750	200,591
Shareholders' Funds at 31 December 1999	<u>247,563</u>	<u>214,750</u>

**NOTES TO THE ACCOUNTS - FOR THE YEAR ENDED 31 DECEMBER 1999**

**13        HOLDING COMPANY**

The company is a wholly owned subsidiary of Higginbotham Egan Insurance Services Limited, a company incorporated in Great Britain. Copies of that holding company accounts are available from the Registrar of Companies, Cardiff CF4 3UZ.

**14        COMMITMENTS**

**Capital Commitments**

At 31 December 1999 the company had no capital commitments.

**Lease Commitments - Operating Leases.**

At 31 December 1999, the company had annual commitments of £2,400 (1998 - £2,400) under non-cancellable leases which expire within two to five years.

**15        CONTINGENT LIABILITY**

The company has guaranteed the indebtedness of the holding company with its bankers. At 31 December 1999 the indebtedness amounted to £54,448 (1998 - £178,005). The guarantee is supported with a charge over leasehold property at 15 Newbold Street, Leamington Spa (book value £13,938) and a debenture over fixed assets.

**16        TRANSACTIONS WITH DIRECTORS**

During the year the company paid rents to G C Higginbotham amounting to £13,536 (1998 - £13,536).