

**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**FINANCIAL STATEMENTS**

**- for the year ended -**

**28TH FEBRUARY 2001**

**COLE MARIE & CO.**  
Chartered Accountants  
48 Station Road  
Redhill, Surrey  
RH1 1PH



**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

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## **DUNCAN POCOCK (INSURANCE BROKERS) LTD**

### **REPORT OF THE DIRECTORS**

The directors present their report and audited financial statements for the year ended 28 February 2001.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company's principal activity during the year continued to be insurance broking.

Turnover for the year decreased from £3,649,637 to £3,497,917 due to the transfer of the company's financial services business to a fellow subsidiary on 1 March 2000. On 1st February 2001 the company assumed the trade of a further fellow subsidiary, Duncan Pocock (Commercial Direct) Limited. The directors consider this level of activity to be reasonable and that it can be sustained for the foreseeable future.

### **DIVIDENDS**

The directors have paid interim dividends amounting to £87,283, and they do not recommend payment of a final dividend.

### **DIRECTORS AND THEIR INTERESTS**

The directors at the balance sheet date were as follows:

J.W. Marshgreen  
P.J. Dessent  
J.A. Ibbs  
J. Loftus  
N.A. Palmer-Minnis  
J.C. Palmer (appointed 1 August 2000)

The directors' interests in Duncan Pocock (Holdings) Limited, the ultimate parent company, are disclosed in the financial statements 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.

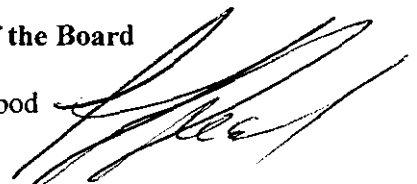
### **AUDITORS**

The auditors, Cole Marie & Co., are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

Date: 11<sup>th</sup> June 2001

By Order of the Board

S.K. Homewood  
Secretary



**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
DUNCAN POCOCK (INSURANCE BROKERS) LTD**

We have audited the financial statements on pages 3 to 17 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out in note 1 to the financial statements.

**Respective responsibilities of the directors and auditors**

As described in the Directors' Report 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 affairs of the company as at 28 February 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COLE MARIE & CO.  
Chartered Accountants  
Registered Auditors

48 Station Road  
Redhill  
Surrey  
RH1 1PH

Date: 12 JUNE 2001

**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28TH FEBRUARY 2001**

		2001	As restated 2000
	Notes	£	£
TURNOVER		3,497,917	3,649,637
Administrative expenses		(3,303,257)	(3,659,474)
		194,660	(9,837)
Other operating income		72,424	5,834
OPERATING PROFIT	2	267,084	(4,003)
Interest receivable	3	80,843	70,323
Interest payable	4	(131,127)	(117,574)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		216,800	(51,254)
Tax on profit on ordinary activities	7	(60,951)	(142,620)
PROFIT FOR THE FINANCIAL YEAR		155,849	(193,874)
Dividends	8	(87,283)	(86,914)
RETAINED PROFIT FOR THE YEAR	23	68,566	(280,788)

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 17 form part of these financial statements.

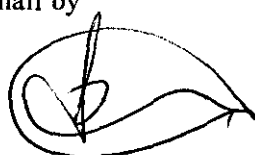
**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**BALANCE SHEET AT 28TH FEBRUARY 2001**

	Notes	2001 £	As restated 2000 £
<b>FIXED ASSETS</b>			
Intangible assets	9	709,731	779,425
Tangible assets	10	1,025,956	787,045
Investments	11	3,890	3,890
		<u>1,739,577</u>	<u>1,570,360</u>
<b>CURRENT ASSETS</b>			
Debtors	12	3,373,360	2,767,097
Cash at bank and in hand		901,633	1,262,114
		<u>4,274,993</u>	<u>4,029,211</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(3,981,013)</u>	<u>(3,806,307)</u>
<b>NET CURRENT ASSETS</b>		<u>293,980</u>	<u>222,904</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,033,557</u>	<u>1,793,264</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14	<u>(1,283,729)</u>	<u>(1,112,002)</u>
		<u>749,828</u>	<u>681,262</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	42,857	42,857
Share premium account	18	133,565	133,565
Revaluation reserve		96,304	96,304
Other reserves		4,243	4,243
Profit and loss account	19	472,859	404,293
<b>SHAREHOLDERS FUNDS</b>	20	<u>749,828</u>	<u>681,262</u>

The financial statements were approved  
by the board on 11<sup>th</sup> JUNE 2001  
and signed on its behalf by

J.W. Marshgreen



Director

The notes on pages 6 to 17 form part of these financial statements.

**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 28TH FEBRUARY 2001**

	Notes	£	2001 £	£	2000 £
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>21</b>		4,850		752,443
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>22</b>		(50,284)		(47,251)
<b>TAXATION</b>			(112,519)		(159,229)
<b>CAPITAL EXPENDITURE</b>	<b>22</b>		56,800		(299,943)
<b>EQUITY DIVIDENDS PAID</b>			(87,283)		(86,914)
Cash outflow before use of liquid resources and financing			(188,436)		159,106
<b>FINANCING</b>	<b>22</b>				
Decrease in debt		(128,287)		(55,561)	
			(128,287)		(55,561)
<b>DECREASE IN CASH IN THE YEAR</b>			(316,723)		103,545

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS 23**

<b>DECREASE IN CASH IN THE YEAR</b>	(316,723)	103,545
Cash outflow from decrease in debt and lease financing	128,287	55,561
Change in net funds resulting from cash flows	(188,436)	159,106
New finance leases	(487,882)	(131,161)
<b>Movement in net funds in the year</b>	(676,318)	27,945
Net funds at 1 March 2000	8,835	(51,040)
<b>Net debt at 28 February 2001</b>	(667,483)	8,835

The notes on pages 6 to 17 form part of these financial statements.

## DUNCAN POCOCK (INSURANCE BROKERS) LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2001

#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

##### 1.2 TURNOVER

Turnover represents brokerage and commissions earned during the year and arises entirely within the U.K.

##### 1.3 GOODWILL

The net assets of businesses acquired as new branches are incorporated in the accounts of the company. Where the amount paid exceeds the value of the net assets acquired, the balance, representing purchased goodwill, is capitalised. The amount capitalised is amortised, on a straight line basis, over an estimated economic life of twenty years, unless otherwise disclosed in note 9.

##### 1.4 LEASEHOLD PROPERTY

Amortisation is provided to write off the cost of leasehold property in equal instalments over the life of the lease.

##### 1.5 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Leasehold properties	Straight line over the life of the lease
Office Equipment	25% Straight line
Fixtures and fittings	10 - 25% Straight line
Motor vehicles	25% Straight line

Freehold property is not depreciated because the valuation is reassessed annually, and if any material change has occurred the property is revalued.

##### 1.6 DEFERRED TAXATION

Provision is made, by the liability method, for taxation deferred in respect of all timing differences except where it is likely that such deferrals will continue for the foreseeable future.

##### 1.7 LEASING AND HIRE PURCHASE

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

Assets acquired under hire purchase contracts are included in fixed assets and depreciated over their useful lives. Assets acquired under finance leases are capitalised and depreciated over the life of the lease. Finance charges relating thereto are charged to the profit and loss account in the period in which they are incurred.

## DUNCAN POCOCK (INSURANCE BROKERS) LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2001

#### 1.8 PENSIONS

Pension costs are accounted for in the period in which the defined contribution falls due.

#### 1.9 BROKERAGE RECOGNITION

Brokerage is recognised on receipt of client instructions to place them on cover and the earliest of either premium received or invoice raised.

#### 2. OPERATING PROFIT

	2001 £	2000 £
The operating profit is stated after charging:		
Exceptional item	86,544	460,266
Depreciation	215,081	171,029
Amortisation of goodwill	69,694	69,693
Auditors' remuneration	18,033	20,036
Operating lease rentals:		
Land and buildings	112,802	111,922
Plant and machinery	15,106	17,445

##### **Exceptional item**

The company had been financially supporting a fellow subsidiary, Duncan Pocock (Commercial Direct) Limited, which incurred losses from its incorporation in 1997 to its cessation of trade on 31 January 2001, when it transferred its trade and assets to Duncan Pocock (Insurance Brokers) Limited. Amounts due to the company from Duncan Pocock (Commercial Direct) Limited are now considered irrecoverable and have been written off as exceptional items. The amount due to the company as at 29 February 2000 was £460,266 and has been written off against reserves as a prior year adjustment. The debt arising in the period to 31 January 2001 amounted to £86,544, which has been treated as an exceptional item in the year.

#### 3. INTEREST RECEIVABLE

	2001 £	2000 £
Bank and other interest receivable	80,843	70,323
	<u>80,843</u>	<u>70,323</u>

#### 4. INTEREST PAYABLE

	2001 £	2000 £
On bank loans and overdrafts	93,109	83,911
Hire purchase interest	38,018	33,663
	<u>131,127</u>	<u>117,574</u>

**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2001**

**5. DIRECTORS AND EMPLOYEES**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Staff costs:		
Wages and salaries	1,550,727	1,518,504
Social security costs	157,209	159,407
Other pension costs	97,237	91,145
	<u>1,805,173</u>	<u>1,769,056</u>

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

	<b>Number</b>	<b>Number</b>
Employees	<u>79</u>	<u>77</u>

Directors' emoluments:

	<b>£</b>	<b>£</b>
Remuneration for management services	316,732	387,969
Pension contributions	41,910	44,080
	<u>358,642</u>	<u>432,049</u>

The number of directors for whom payments have been made into the following pension schemes:

	<b>Number</b>	<b>Number</b>
Money purchase	<u>4</u>	<u>6</u>
	<u>4</u>	<u>6</u>

	<b>£</b>	<b>£</b>
Highest paid director	93,918	96,937
Highest paid director pension costs	17,200	17,200
	<u>111,118</u>	<u>114,137</u>

**6. PENSION COSTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £97,237 (2000: £91,145). All contributions were paid in the year.

**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2001**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
The taxation charge comprises:		
U.K. corporation tax at 20% (2000 - 25%)	14,672	65,136
Receipt in respect of group relief	45,669	77,484
	<hr/>	<hr/>
	60,341	142,620
Adjustment in respect of prior years	610	-
	<hr/>	<hr/>
	60,951	142,620
	<hr/>	<hr/>

**8. DIVIDENDS**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Ordinary shares	67,254	66,924
Cumulative Convertible Participating		
Preferred Ordinary shares	20,029	19,990
	<hr/>	<hr/>
	87,283	86,914
	<hr/>	<hr/>

**9. INTANGIBLE ASSETS**

	<b>Goodwill</b>
	<b>£</b>
<u>Cost</u>	
At 1 March 2000 and	
At 28 February 2001	1,384,694
	<hr/>
<u>Amortisation</u>	
At 1 March 2000	605,269
Charge for year	69,694
	<hr/>
At 28 February 2001	674,963
	<hr/>
<u>Net book value at 28 February 2001</u>	709,731
	<hr/>
<u>Net book value at 29 February 2000</u>	779,425
	<hr/>

**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2001**

**10. TANGIBLE ASSETS**

	<b>Land &amp; buildings £</b>	<b>Plant &amp; machinery £</b>	<b>Fixtures &amp; fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<u>Cost or valuation</u>					
At 1 March 2000	303,226	705,686	39,760	366,936	1,415,608
Additions	49,507	228,235	11,205	145,567	434,514
Transfer from group company	-	82,442	15,234	-	97,676
Disposals	-	-	-	(211,018)	(211,018)
At 28 February 2001	352,733	1,016,363	66,199	301,485	1,736,780
<u>Depreciation</u>					
At 1 March 2000	4,614	383,867	6,173	233,909	628,563
Charge for year	2,919	131,633	4,958	75,571	215,081
Transfer from group company	-	57,560	5,046	-	62,606
On disposals	-	-	-	(195,426)	(195,426)
At 28 February 2001	7,533	573,060	16,177	114,054	710,824
<u>Net book value at 28 February 2001</u>	345,200	443,303	50,022	187,431	1,025,956
<u>29 February 2000</u>	298,612	321,819	33,587	133,027	787,045

	<b>2001 £</b>	<b>2000 £</b>
Analysis of net book value of land and buildings:		
Freehold	140,000	140,000
Long leasehold	135,000	135,000
Short leasehold	70,200	23,612
	345,200	298,612

The freehold property is included at the directors' estimate of market value on 28 February 1998. The original cost was £43,696. If the property was sold for this value a tax liability amounting to £7,216 would arise.

Included above are assets held under finance leases or hire purchase as follows:

	<b>2001 £</b>	<b>2000 £</b>
Net book values:		
Office Equipment	230,250	165,355
Motor vehicles	175,977	133,049
	406,227	298,404

Depreciation charge for the year:

Office Equipment	53,087	63,853
Motor vehicles	19,927	63,446
	73,014	127,299

Net obligations on finance leases and hire purchase are secured on assets acquired.

**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2001**

**11. INVESTMENTS**

	Beginning of year £	Additions £	End of year £
Unlisted investments	3,890	-	3,890
<u>Net book value</u>	<u>3,890</u>		<u>3,890</u>

**12. DEBTORS**

	2001 £	2000 £
Insurance debtors	3,254,370	2,698,261
Other debtors	41,931	13,239
Prepayments and accrued income	77,059	55,597
	<u>3,373,360</u>	<u>2,767,097</u>

**13. CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR**

	2001 £	2000 £
Bank loans and overdrafts	59,204	25,199
Insurance creditors	3,225,089	3,182,448
Amounts owed to group undertakings	21,262	25,000
Corporation tax	15,819	67,387
Other taxes and social security costs	61,684	50,696
Net obligations under finance lease and hire purchase contracts	176,179	116,076
Other creditors	32,888	39,246
Other loans	50,004	-
Accruals and deferred income	338,884	300,255
	<u>3,981,013</u>	<u>3,806,307</u>

**14. CREDITORS: AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR**

	2001 £	2000 £
Loans	1,042,528	1,020,293
Net obligations under finance leases and hire purchase contracts	241,201	91,709
	<u>1,283,729</u>	<u>1,112,002</u>

All obligations under hire purchase contracts fall due within five years. The amounts falling due within three years totalled £417,380 (2000: £242,073).

**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2001**

**15. BORROWINGS**

	2001 £	2000 £
<u>The company's borrowings are repayable as follows:</u>		
In one year, or less or on demand	109,208	25,199
Between one and two years	57,804	9,000
Between two and five years	956,137	955,578
In five years or more	28,587	30,815
	<u>1,151,736</u>	<u>1,020,592</u>
Amounts due after five years repayable by instalments	<u>28,587</u>	<u>30,815</u>
Amounts due within five years	<u>1,123,149</u>	<u>989,777</u>

Details of security:

The bank loans are secured by a fixed charge over the freehold and leasehold property of the company together with the book and other debts. In addition there is a floating charge on all other assets of the company, present and future, specifically excluding insurance debtors and approved short term assets as well as bank accounts designated Insurance Broking Accounts.

**16. NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

	2001 £	2000 £
<u>The company's net obligations under finance leases and hire purchase contracts are repayable as follows:</u>		
In one year, or less or on demand	206,659	136,836
Between two and five years	286,313	105,237
	<u>492,972</u>	<u>242,073</u>
Finance charges and interest allocated to future accounting periods	<u>(75,592)</u>	<u>(34,289)</u>
	<u>417,380</u>	<u>207,784</u>
Included in current liabilities	<u>(176,179)</u>	<u>(116,076)</u>
	<u>241,201</u>	<u>91,708</u>

**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2001**

**17. SHARE CAPITAL**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<u>Authorised</u>		
<b>Equity interests:</b>		
9,857 Cumulative Convertible Participating Preferred Ordinary shares (C.C.P.P.O)	9,857	9,857
33,000 Ordinary shares of £1 each	33,000	33,000
	<u>42,857</u>	<u>42,857</u>
<u>Allotted, called up and fully paid</u>		
<b>Equity interests:</b>		
9,857 Cumulative Convertible Participating Preferred Ordinary shares (C.C.P.P.O)	9,857	9,857
33,000 Ordinary shares of £1 each	33,000	33,000
	<u>42,857</u>	<u>42,857</u>

The C.C.P.P.O. shares are entitled to a participating preference dividend amounting to 5.75% of the adjusted net profit for the financial year. Thereafter the ordinary shareholders are entitled to a maximum dividend per share not exceeding that paid to the C.C.P.P.O. shareholders. Both classes of share rank equally in respect of further dividends from the remaining profits.

The C.C.P.P.O. shareholders are entitled, on a winding up, to their subscription price and any arrears, deficiency or accruals of the participating dividend. Thereafter the ordinary shareholders are entitled to an amount per share not exceeding the subscription price paid to the C.C.P.P.O. shareholders. Subject to the above, both classes rank equally for the purposes of distribution of any remaining balance. All shares carry equal voting rights.

**18. SHARE PREMIUM ACCOUNT**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Equity interests:</b>		
Balance brought forward at 1 March 2000	133,565	133,565
Balance carried forward at 28 February 2001	<u>133,565</u>	<u>133,565</u>

**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2001**

**19. PROFIT AND LOSS ACCOUNT**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Retained profits at 1 March 2000	864,559	685,081
Prior year adjustment	(460,266)	-
Retained profits at 1 March 2000 as restated	404,293	685,081
Retained profit for the year as previously reported		179,478
Prior year adjustment (note 2)		(460,266)
Retained profit for the year	68,566	(280,788)
Retained profits at 28 February 2001	472,859	404,293

**20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Profit for the financial year as previously reported		266,392
Prior year adjustment (note 2)		(460,266)
Profit for the financial year	155,849	(193,874)
Dividends	(87,283)	(86,914)
	68,566	(280,788)
Shareholders' funds at 1 March 2000	1,141,528	962,050
Prior year adjustment	(460,266)	-
Shareholders' funds at 1 March 2000 as restated	681,262	962,050
Shareholders' funds at 28 February 2001	749,828	681,262
Represented by:-		
Equity interests	749,828	681,262
	749,828	681,262

**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2001**

**21. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Operating profit	267,084	(4,003)
Depreciation	284,775	240,722
Profit on disposal of fixed assets	(22,908)	(5,104)
Increase in debtors	(606,263)	(596,448)
Increase in creditors due within one year	82,162	1,117,276
<b>Cash flow from operating activities</b>	<b>4,850</b>	<b>752,443</b>

**22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	80,843	70,323
Interest paid	(93,109)	(83,911)
Interest element on hire purchase contracts	(38,018)	(24,808)
Interest element on finance lease rental payments	-	(8,855)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(50,284)</b>	<b>(47,251)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	18,300	(308,693)
Receipts from sale of tangible assets	38,500	8,750
<b>Net cash outflow from capital expenditure</b>	<b>56,800</b>	<b>(299,943)</b>
<b>Financing</b>		
Debt due within a year		
Receipts of short-term loans	-	7,800
Debt due beyond one year		
Receipts from other long term loans	150,000	66,815
Receipts of other creditors	-	24,900
Repayment of capital on hire purchase contracts and finance leases rentals	(278,287)	(155,076)
<b>Net cash outflow from financing</b>	<b>(128,287)</b>	<b>(55,561)</b>

# DUNCAN POCOCK (INSURANCE BROKERS) LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2001

### 23. ANALYSIS OF NET FUNDS

	Beginning of year £	Cash flow £	2001 Other movements £	End of year £
Cash at bank and in hand	1,262,114	(360,481)	-	901,633
Bank overdrafts	(17,399)	(34,005)	-	(51,404)
Debt due within one year	(7,800)	-	(50,004)	(57,804)
Debt due after one year	(1,020,293)	(54,163)	-	(1,042,528)
Finance leases	(207,785)	278,287	(487,882)	(417,380)
	<u>8,837</u>	<u>(170,362)</u>	<u>(537,886)</u>	<u>(667,483)</u>

The movement in net funds includes £126,175 of debt and leases reclassified from liabilities falling due after more than one year to liabilities falling due within one year.

	Other non-cash changes £	Exchange movements £	Net movements £
<b>Other movements</b>			
Debt due within one year	(50,004)	-	(50,004)
Finance leases	(487,882)	-	(487,882)
	<u>(537,886)</u>	<u>-</u>	<u>(537,886)</u>

### 24. REVENUE COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	Land and buildings		Other	
	2001 £	2000 £	2001 £	2000 £
Expiry date:				
Within one year	11,667	-	16,060	324
Between one and five years	39,000	34,000	15,181	40,150
After five years	105,500	68,000	-	-
	<u>156,167</u>	<u>102,000</u>	<u>31,241</u>	<u>40,474</u>

### 25. TRANSACTIONS WITH DIRECTORS

During the year the company paid rent for certain properties in which two directors, J.W. Marshgreen and P.J. Dessent, have an interest. The amount paid was £20,000 (2000 £18,500).

**DUNCAN POCOCK (INSURANCE BROKERS) LTD**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2001**

**26. CONTROL**

The company was under the control of J.W. Marshgreen and P.J. Dessent, who each hold 38.5% of the ordinary share capital of Duncan Pocock (Holdings) Limited, the ultimate parent company.

**27. RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption from disclosures required by FRS8 relating to group transactions as consolidated accounts are prepared by the parent company.

**28. ULTIMATE PARENT COMPANY**

The ultimate parent company is Duncan Pocock (Holdings) Limited a company incorporated in Great Britain.