

**PETER ADAMS (INSURANCE BROKERS) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2003**



# **PETER ADAMS (INSURANCE BROKERS) LIMITED**

## **COMPANY INFORMATION**

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | Mrs N. Adams<br>N. A. Adams                                      |
| <b>Secretary</b>         | N. A. Adams  |
| <b>Company number</b>    | 950644   |
| <b>Registered office</b> | Coptic House<br>4-5 Mount Stuart Square<br>Cardiff<br>CF10 5EE   |
| <b>Auditors</b>          | Davies Williams<br>21 St Andrews Crescent<br>Cardiff<br>CF10 3DB |
| <b>Bankers</b>           | HSBC Bank plc<br>97 Bute Street<br>Cardiff<br>CF10 5NA           |

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# PETER ADAMS (INSURANCE BROKERS) LIMITED

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# **PETER ADAMS (INSURANCE BROKERS) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2003**

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The directors present their report and financial statements for the year ended 30 November 2003.

### **Principal activities and review of the business**

The principal activity of the company has continued to be insurance broking.

The results for the year are shown in the profit and loss account on page 4. The directors are disappointed to note that the company has made a loss during the year.

### **Dividends**

No dividends have been paid during the year.

### **Future developments**

The directors are optimistic that the company will return to profitability in future years.

### **Directors**

The following directors have held office since 1 December 2002:

Mrs N. Adams

N. A. Adams

### **Directors' interests**

The directors' interests in the shares of the company were as stated below:

|              | Ordinary shares of £ 1 each |                 |
|--------------|-----------------------------|-----------------|
|              | 30 November 2003            | 1 December 2002 |
| Mrs N. Adams | -                           | -               |
| N. A. Adams  | 560                         | 560             |

### **Creditor payment policy**

It is the company's policy to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, it is the company's normal practice that payment is made accordingly.

The number of days outstanding between receipt of invoices and date of payment, calculated by reference to the amount owed to trade creditors at the year end as a proportion of the amounts invoiced by suppliers during the year, was nil. The company did not have any trade creditors at 30th November 2003.

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Davies Williams be reappointed as auditors of the company will be put to the Annual General Meeting.

# **PETER ADAMS (INSURANCE BROKERS) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2003**

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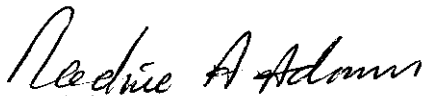
### **Directors' responsibilities**

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

By order of the board



Mrs N. Adams

**Director**

5 March 2004

# PETER ADAMS (INSURANCE BROKERS) LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS OF PETER ADAMS (INSURANCE BROKERS) LIMITED

We have audited the financial statements of Peter Adams (Insurance Brokers) Limited on pages 4 to 12 for the year ended 30 November 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### 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.

### Going concern

In forming our opinion we have considered the adequacy of the disclosures made in note 1.1 relating to the company's continuing insolvent position. In view of the significance of the disclosures we consider that they should be drawn to your attention but our opinion is not qualified in this respect.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Davies Williams*  
Davies Williams

Chartered Accountants  
Registered Auditor

*24th March 2004.*

21 St Andrews Crescent  
Cardiff  
CF10 3DB

# PETER ADAMS (INSURANCE BROKERS) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2003

|  | Notes | 2003<br>£ | 2002<br>£ |
|--|-------|-----------|-----------|
| Turnover   | 2     | 148,641   | 154,954   |
| Administrative expenses                              |       | (155,306) | (142,466) |
| Operating (loss)/profit                              | 3     | (6,665)   | 12,488    |
| Other interest receivable and similar income         |       | 96        | 1         |
| Interest payable and similar charges                 | 4     | (4,792)   | (5,090)   |
| (Loss)/profit on ordinary activities before taxation |       | (11,361)  | 7,399     |
| Tax on (loss)/profit on ordinary activities          |       | -         | -         |
| (Loss)/profit on ordinary activities after taxation  | 12    | (11,361)  | 7,399     |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# PETER ADAMS (INSURANCE BROKERS) LIMITED

## BALANCE SHEET AS AT 30 NOVEMBER 2003

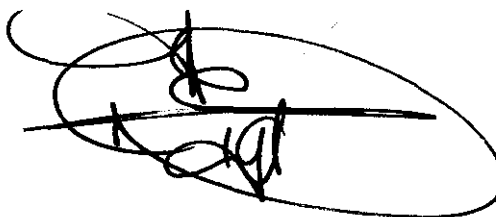
|  | Notes | 2003<br>£       | £               | 2002<br>£       | £               |
|--|-------|-----------------|-----------------|-----------------|-----------------|
| <b>Fixed assets</b>  |       |                 |                 |                 |                 |
| Tangible assets  | 5     |                 | 14,023          |                 | 14,445          |
| <b>Current assets</b>  |       |                 |                 |                 |                 |
| Stocks   | 6     | 250             |                 | 250             |                 |
| Debtors  | 7     | 25,589          |                 | 37,915          |                 |
| Cash at bank and in hand                                       |       | 20              |                 | 194             |                 |
|  |       | <u>25,859</u>   |                 | <u>38,359</u>   |                 |
| <b>Creditors: amounts falling due within one year</b>          | 8     | <u>(18,515)</u> |                 | <u>(14,326)</u> |                 |
| <b>Net current assets</b>                                      |       |                 | <u>7,344</u>    |                 | <u>24,033</u>   |
| <b>Total assets less current liabilities</b>                   |       |                 | <u>21,367</u>   |                 | <u>38,478</u>   |
| <b>Creditors: amounts falling due after more than one year</b> | 9     |                 | <u>(48,445)</u> |                 | <u>(54,195)</u> |
|  |       |                 | <u>(27,078)</u> |                 | <u>(15,717)</u> |
| <b>Capital and reserves</b>                                    |       |                 |                 |                 |                 |
| Called up share capital  | 11    | 1,000           |                 | 1,000           |                 |
| Profit and loss account  | 12    | (28,078)        |                 | (16,717)        |                 |
| <b>Shareholders' funds - equity interests</b>                  | 13    |                 | <u>(27,078)</u> |                 | <u>(15,717)</u> |

The financial statements were approved by the Board on 5 March 2004

Mrs N. Adams  
Director

*Nedine A. Adams*

N. A. Adams  
Director





# **PETER ADAMS (INSURANCE BROKERS) LIMITED**

## **CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2003**

|  | 2003<br>£         | 2002<br>£         |
|--|-------------------|-------------------|
| <b>Net cash inflow from operating activities</b>                                     | 11,707            | 5,521             |
| <b>Returns on investments and servicing of finance</b>                               |                   |                   |
| Interest received  | 96                | 1                 |
| Interest paid  | (4,792)           | (5,090)           |
|  | <u>          </u> | <u>          </u> |
| <b>Net cash outflow for returns on investments and servicing of finance</b>          | (4,696)           | (5,089)           |
| <b>Capital expenditure</b>   |                   |                   |
| Payments to acquire tangible assets  | (3,963)           | (14,492)          |
| Receipts from sales of tangible assets   | -                 | 2,300             |
|  | <u>          </u> | <u>          </u> |
| <b>Net cash outflow for capital expenditure</b>                                      | (3,963)           | (12,192)          |
|  | <u>          </u> | <u>          </u> |
| <b>Net cash inflow/(outflow) before management of liquid resources and financing</b> | 3,048             | (11,760)          |
| <b>Net cash outflow from financing</b>   | -                 | -                 |
|  | <u>          </u> | <u>          </u> |
| <b>Decrease in cash in the year</b>  | <u>3,048</u>      | <u>(11,760)</u>   |

# PETER ADAMS (INSURANCE BROKERS) LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2003

|   |   |               |              |
|---|---|---------------|--------------|
| 1 | <b>Reconciliation of operating (loss)/profit to net cash inflow from operating activities</b> | <b>2003</b>   | <b>2002</b>  |
|   |   | <b>£</b>      | <b>£</b>     |
|   | Operating (loss)/profit   | (6,665)       | 12,488       |
|   | Depreciation of tangible assets   | 4,229         | 3,073        |
|   | Loss on disposal of tangible assets   | 156           | 3,229        |
|   | Decrease/(increase) in debtors  | 12,326        | (8,413)      |
|   | Increase/(decrease) in creditors within one year  | 1,661         | (4,856)      |
|   | <b>Net cash inflow from operating activities</b>  | <b>11,707</b> | <b>5,521</b> |

|   |                                   |                        |                     |                               |                         |
|---|-----------------------------------|------------------------|---------------------|-------------------------------|-------------------------|
| 2 | <b>Analysis of net debt</b>       | <b>1 December 2002</b> | <b>Cash flow</b>    | <b>Other non-cash changes</b> | <b>30 November 2003</b> |
|   |                                   | <b>£</b>               | <b>£</b>            | <b>£</b>                      | <b>£</b>                |
|   | Net cash:                         |                        |                     |                               |                         |
|   | Cash at bank and in hand          | 194                    | (174)               |                               | 20                      |
|   | Bank overdraft                    | (2,964)                | (2,014)             |                               | (4,978)                 |
|   |                                   | <u>(2,770)</u>         | <u>(2,188)</u>      |                               | <u>(4,958)</u>          |
|   | Debt:                             |                        |                     |                               |                         |
|   | Finance leases                    | (10,402)               | 1,536               | -                             | (8,866)                 |
|   | Debts falling due within one year | (3,490)                | -                   | -                             | (3,490)                 |
|   | Debts falling due after one year  | (45,295)               | 3,700               | -                             | (41,595)                |
|   |                                   | <u>(59,187)</u>        | <u>5,236</u>        | <u>-</u>                      | <u>(53,951)</u>         |
|   | <b>Net debt</b>                   | <b><u>(61,957)</u></b> | <b><u>3,048</u></b> | <b><u>-</u></b>               | <b><u>(58,909)</u></b>  |

|   |  |                 |                 |
|---|--|-----------------|-----------------|
| 3 | <b>Reconciliation of net cash flow to movement in net debt</b>             | <b>2003</b>     | <b>2002</b>     |
|   |  | <b>£</b>        | <b>£</b>        |
|   | Increase/(decrease) in cash in the year                                    | (2,188)         | (7,141)         |
|   | Cash outflow/(inflow) from decrease/(increase) in debt and lease financing | 5,236           | (4,619)         |
|   | <b>Movement in net debt in the year</b>                                    | <b>3,048</b>    | <b>(11,760)</b> |
|   | Opening net debt   | (61,957)        | (50,197)        |
|   | <b>Closing net debt</b>  | <b>(58,909)</b> | <b>(61,957)</b> |

# PETER ADAMS (INSURANCE BROKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and on the going concern basis in view of continuing financial support from one of the directors.

#### 1.2 Commission

Commission is treated as earned in full as soon as the client has indicated their acceptance of the insurance policy or renewal notice.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                              |                               |
|------------------------------|-------------------------------|
| Office furniture & equipment | 20% p. a. on reducing balance |
| Motor vehicle                | 25% p. a. on reducing balance |

#### 1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated as described in the preceding paragraph. 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.

#### 1.5 Deferred taxation

Only such deferred taxation as will become payable in the near future is accounted for by the company. On this basis, in the opinion of the directors, there is no material liability and therefore no provision for deferred taxation is at present required.

### 2 Turnover

The total turnover of the company for the year, which comprises commission income, has been derived from its principal activity wholly undertaken in the United Kingdom.

| 3 | Operating (loss)/profit                           | 2003<br>£     | 2002<br>£     |
|---|---|---------------|---------------|
|   | Operating (loss)/profit is stated after charging: |               |               |
|   | Depreciation of tangible assets                   | 4,229         | 3,073         |
|   | Auditors' remuneration                            | 3,055         | 2,996         |
|   | Directors' emoluments                             | 43,926        | 40,199        |
|   |   | <u>47,210</u> | <u>46,268</u> |
| 4 | Interest payable                                  | 2003<br>£     | 2002<br>£     |
|   | Bank interest                                     | 59            | 41            |
|   | Loan interest                                     | 2,789         | 3,218         |
|   | Hire purchase interest                            | 1,944         | 1,831         |
|   |   | <u>4,792</u>  | <u>5,090</u>  |

# PETER ADAMS (INSURANCE BROKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

### 5 Tangible fixed assets

|                       | Office<br>furniture &<br>equipment<br>£ | Motor<br>vehicle<br>£ | Total<br>£ |
|-----------------------|---|-----------------------|------------|
| <b>Cost</b>           |   |                       |            |
| At 1 December 2002    | 13,870                                  | 12,845                | 26,715     |
| Additions             | 2,450                                   | 1,513                 | 3,963      |
| Disposals             | (684)                                   | -                     | (684)      |
| At 30 November 2003   | 15,636                                  | 14,358                | 29,994     |
| <b>Depreciation</b>   |   |                       |            |
| At 1 December 2002    | 8,854                                   | 3,416                 | 12,270     |
| On disposals          | (528)                                   | -                     | (528)      |
| Charge for the year   | 1,493                                   | 2,736                 | 4,229      |
| At 30 November 2003   | 9,819                                   | 6,152                 | 15,971     |
| <b>Net book value</b> |   |                       |            |
| At 30 November 2003   | 5,817                                   | 8,206                 | 14,023     |
| At 30 November 2002   | 5,016                                   | 9,429                 | 14,445     |

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

|   | Motor<br>vehicle<br>£ |
|---|-----------------------|
| <b>Net book values</b>                  |                       |
| At 30 November 2003                     | 8,206                 |
| At 30 November 2002                     | 9,429                 |
| <b>Depreciation charge for the year</b> |                       |
| 30 November 2003                        | 2,736                 |
| 30 November 2002                        | 2,516                 |

| 6 Stocks            | 2003<br>£ | 2002<br>£ |
|---------------------|-----------|-----------|
| Stock of stationery | 250       | 250       |

# PETER ADAMS (INSURANCE BROKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

| 7 | Debtors                        | 2003<br>£     | 2002<br>£     |
|---|--------------------------------|---------------|---------------|
|   | Trade debtors                  | 17,809        | 34,199        |
|   | Prepayments and sundry debtors | 7,780         | 3,716         |
|   |                                | <u>25,589</u> | <u>37,915</u> |

Included in prepayments and sundry debtors is an overdrawn director's loan account of £2985. Further information is given in note 16.

| 8 | Creditors: amounts falling due within one year                  | 2003<br>£     | 2002<br>£     |
|---|---|---------------|---------------|
|   | Bank loans and overdraft (see below)                            | 8,468         | 6,454         |
|   | Net obligations under finance lease and hire purchase contracts | 2,016         | 1,502         |
|   | Taxation and social security                                    | 2,385         | 2,026         |
|   | Other creditors   | 5,646         | 4,344         |
|   |   | <u>18,515</u> | <u>14,326</u> |

At the year end the company had 2 bank loans which have been split into amounts repayable within one year of the balance sheet date and amounts repayable in more than one year.

The amount outstanding on the first loan was £3,296 and it, together with the overdraft, is secured by a fixed charge over the company's book debts and a floating charge over all other assets, plus a personal guarantee by the directors.

The second loan of £5,598 is unsecured.

# PETER ADAMS (INSURANCE BROKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

| 9 | Creditors: amounts falling due after more than one year                 | 2003<br>£      | 2002<br>£      |
|---|---|----------------|----------------|
|   | Bank loans (secured as per note 8)                                      | 5,405          | 9,105          |
|   | Net obligations under finance leases and hire purchase agreements       | 6,850          | 8,900          |
|   | Director's loan account   | 36,190         | 36,190         |
|   |   | <u>48,445</u>  | <u>54,195</u>  |
|   | <b>Loan maturity analysis</b>   |                |                |
|   | Between one and two years   | 9,282          | 10,506         |
|   | Between two and five years  | 12,325         | 15,997         |
|   | In five years or more   | <u>26,838</u>  | <u>27,692</u>  |
|   | <b>Net obligations under finance leases and hire purchase contracts</b> |                |                |
|   | Repayable within one year   | 3,433          | 3,433          |
|   | Repayable between one and five years                                    | <u>8,297</u>   | <u>11,731</u>  |
|   |   | 11,730         | 15,164         |
|   | Finance charges and interest allocated to future accounting periods     | <u>(2,864)</u> | <u>(4,762)</u> |
|   |   | 8,866          | 10,402         |
|   | Included in liabilities falling due within one year                     | <u>(2,016)</u> | <u>(1,502)</u> |
|   |   | <u>6,850</u>   | <u>8,900</u>   |

The director's loan has been made to the company by Mrs N Adams. During the year the company paid £1,989 interest in respect of the loan.

### 10 Pension costs

The company operates a defined contribution pension scheme on behalf of both directors and one member of staff. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1200 (2002- £1200).

| 11 | Share capital                             | 2003<br>£    | 2002<br>£    |
|----|---|--------------|--------------|
|    | <b>Authorised</b>                         |              |              |
|    | 1,000 Ordinary shares of £1 each          | <u>1000</u>  | <u>1000</u>  |
|    | <b>Allotted, called up and fully paid</b> |              |              |
|    | 1,000 Ordinary shares of £1 each          | <u>1,000</u> | <u>1,000</u> |

# PETER ADAMS (INSURANCE BROKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

### 12 Statement of movements on profit and loss account

Profit and  
loss  
account  
£

|                             |          |
|-----------------------------|----------|
| Balance at 1 December 2002  | (16,717) |
| Retained loss for the year  | (11,361) |
| Balance at 30 November 2003 | (28,078) |

### 13 Reconciliation of movements in shareholders' funds

2003  
£

2002  
£

|                                      |          |          |
|--------------------------------------|----------|----------|
| (Loss)/Profit for the financial year | (11,361) | 7,399    |
| Opening shareholders' funds          | (15,717) | (23,116) |
| Closing shareholders' funds          | (27,078) | (15,717) |

### 14 Capital commitments

There were no capital commitments at 30th November 2003 (2002 - £Nil).

### 15 Directors' emoluments

2003  
£

2002  
£

|                                    |        |        |
|------------------------------------|--------|--------|
| Emoluments for qualifying services | 43,926 | 40,199 |
|------------------------------------|--------|--------|

### 16 Transactions with directors

The following director had an interest free loan during the year. The movement on the loan was as follows:

|            | Amount outstanding |      | Maximum |
|------------|--------------------|------|---------|
|            | 2003               | 2002 | in year |
|            | £                  | £    | £       |
| N.A. Adams | 2,985              | -    | 3,195   |