

Company Registration No. 950644 (England and Wales)

PETER ADAMS (INSURANCE BROKERS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2001



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PETER ADAMS (INSURANCE BROKERS) LIMITED

COMPANY INFORMATION

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

PETER ADAMS (INSURANCE BROKERS) LIMITED

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PETER ADAMS (INSURANCE BROKERS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2001

The directors present their report and financial statements for the year ended 30 November 2001.

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 pleased to record the profit achieved during the year.

Dividends

No dividends have been paid during the year.

Future developments

The directors are optimistic that the company's position will continue to improve in future years.

Directors

The following directors have held office since 1 December 2000:

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 2001	1 December 2000
Mrs N. Adams	540	540
N. A. Adams	20	20

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 2001.

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 2001

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

23 January 2002

PETER ADAMS (INSURANCE BROKERS) LIMITED

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

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Davies Williams

25 January 2002

Chartered Accountants
Registered Auditor

21 St Andrews Crescent
Cardiff
CF10 3DB

PETER ADAMS (INSURANCE BROKERS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2001

	Notes	2001 £	2000 £
Turnover	2	143,293	135,290
Administrative expenses		(131,948)	(120,193)
Operating profit	3	11,345	15,097
Other interest receivable and similar income		-	3
Interest payable and similar charges	4	(3,962)	(3,760)
Profit on ordinary activities before taxation		7,383	11,340
Tax on profit on ordinary activities		-	-
Profit on ordinary activities after taxation	12	7,383	11,340

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 2001

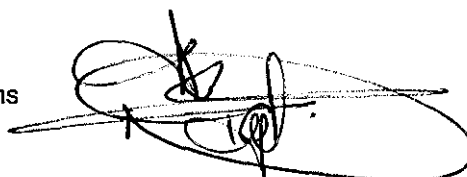
	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	5		8,555		10,534
Current assets					
Stocks	6	250		250	
Debtors	7	29,502		23,963	
Cash at bank and in hand		4,371		2,294	
		34,123		26,507	
Creditors: amounts falling due within one year	8	(17,084)		(12,489)	
Net current assets			17,039		14,018
Total assets less current liabilities			25,594		24,552
Creditors: amounts falling due after more than one year	9		(48,710)		(55,051)
			(23,116)		(30,499)
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss account	12		(24,116)		(31,499)
Shareholders' funds - equity interests	13		(23,116)		(30,499)

The financial statements were approved by the Board on 23 January 2002

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 2001

	2001 £	2000 £
Net cash inflow from operating activities	11,570	13,911
Returns on investments and servicing of finance		
Interest received	-	3
Interest paid	(3,962)	(3,760)
Net cash outflow for returns on investments and servicing of finance	(3,962)	(3,757)
Capital expenditure		
Payments to acquire tangible assets	-	(100)
Net cash outflow for capital expenditure	-	(100)
Net cash inflow before management of liquid resources and financing	7,608	10,054
Net cash (outflow)/inflow from financing	-	-
Increase in cash in the year	7,608	10,054

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2001

1	Reconciliation of operating profit to net cash inflow from operating activities		2001	2000
			£	£
	Operating profit		11,345	15,097
	Depreciation of tangible assets		1,979	2,543
	Increase in debtors		(5,539)	(4,056)
	Increase in creditors within one year		3,785	327
	Net cash inflow from operating activities		<u>11,570</u>	<u>13,911</u>

2	Analysis of net debt	1 December 2000	Cash flow	Other non-cash changes	30 November 2001
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	2,294	2,077		4,371
	Debt:				
	Finance leases	(4,917)	2,549	-	(2,368)
	Debts falling due within one year	(2,500)	(990)	-	(3,490)
	Debts falling due after one year	(52,682)	3,972	-	(48,710)
		<u>(60,099)</u>	<u>5,531</u>	<u>-</u>	<u>(54,568)</u>
	Net debt	<u>(57,805)</u>	<u>7,608</u>	<u>-</u>	<u>(50,197)</u>

3	Reconciliation of net cash flow to movement in net debt	2001	2000
		£	£
	Increase in cash in the year	2,077	18,500
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	5,531	(8,446)
	Movement in net debt in the year	<u>7,608</u>	<u>10,054</u>
	Opening net debt	<u>(57,805)</u>	<u>(67,859)</u>
	Closing net debt	<u>(50,197)</u>	<u>(57,805)</u>

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001

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	10% 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 assets and depreciated over the shorter of the lease term and their useful lives. 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 periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged to Profit and Loss Account as incurred.

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 profit

	2001 £	2000 £
Operating profit is stated after charging:		
Depreciation of tangible assets	1,979	2,543
Operating lease rentals	978	1,554
Auditors' remuneration	2,879	2,879
Directors' emoluments	37,664	36,159

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001

4	Interest payable	2001 £	2000 £
	On bank loans	7	217
	On other loans wholly repayable within 5 years	3,368	2,970
	Hire purchase interest	587	573
		<hr/>	<hr/>
		3,962	3,760
		<hr/>	<hr/>

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001

5 Tangible fixed assets

	Office furniture & equipment £	Motor vehicle £	Total £
Cost			
At 1 December 2000 & at 30 November 2001	12,223	8,495	20,718
Depreciation			
At 1 December 2000	7,861	2,323	10,184
Charge for the year	436	1,543	1,979
At 30 November 2001	8,297	3,866	12,163
Net book value			
At 30 November 2001	3,926	4,629	8,555
At 30 November 2000	4,362	6,172	10,534

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

	Motor vehicle £
Net book values	
At 30 November 2001	4,629
At 30 November 2000	6,172
Depreciation charge for the year	
30 November 2001	1,543
30 November 2000	2,058

6 Stocks	2001 £	2000 £
Sundry stock	250	250

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001

7	Debtors	2001 £	2000 £
	Trade debtors	26,098	21,953
	Prepayments and accrued income	3,404	2,010
		<u>29,502</u>	<u>23,963</u>
8	Creditors: amounts falling due within one year	2001 £	2000 £
	Bank loans (see below)	3,490	2,500
	Net obligations under finance lease and hire purchase contracts	2,368	2,548
	Taxation and social security	1,991	2,010
	Other creditors (see below)	9,235	5,431
		<u>17,084</u>	<u>12,489</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 £8,755 and it 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 £7,255 is unsecured.

Included in other creditors of £9,235 an amount of £5000 owing to Mrs N. Adams, which will be repaid before 30th November 2002.

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001

9 Creditors: amounts falling due after more than one year	2001 £	2000 £
Bank loans (secured as per note 8)	12,520	8,492
Net obligations under finance leases and hire purchase agreements	-	2,369
Director's loan account	36,190	44,190
	<u>48,710</u>	<u>55,051</u>
Loan maturity analysis		
Between one and two years	3,490	2,500
Between two and five years	10,470	7,500
In five years or more	34,750	45,051
	<u></u>	<u></u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	2,901	3,121
Repayable between one and five years	-	2,901
	<u>2,901</u>	<u>6,022</u>
Finance charges and interest allocated to future accounting periods	(533)	(1,105)
	<u>2,368</u>	<u>4,917</u>
Included in liabilities falling due within one year	(2,368)	(2,548)
	<u>-</u>	<u>2,369</u>

The director's loan has been made to the company by Mrs N Adams, who has agreed that no more than £5000 of the loan will be repaid before 1st December 2004 at the earliest. During the year the company paid £2327 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 £1150 (2000 - £500).

11 Share capital	2001 £	2000 £
Authorised		
1,000 Ordinary shares of £ 1 each	1000	1000
	<u></u>	<u></u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £ 1 each	1,000	1,000
	<u></u>	<u></u>

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 December 2000	(31,499)
Retained profit for the year	7,383
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Balance at 30 November 2001	(24,116)
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13 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	7,383	11,340
Opening shareholders' funds	(30,499)	(41,839)
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Closing shareholders' funds	(23,116)	(30,499)
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14 Financial commitments

At 30 November 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2001	2000	2001	2000
	£	£	£	£
Expiry date:				
Between two and five years	6,000	6,000	8,813	8,813
In over five years	-	-	-	280
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	6,000	6,000	8,813	9,093
	<hr/>	<hr/>	<hr/>	<hr/>

15 Capital commitments

There were no capital commitments at 30th November 2001 (2000 - £Nil).

16 Directors' emoluments

	2001 £	2000 £
Emoluments for qualifying services	37,664	36,159
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PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2001

17 Employees

Number of employees

There were two other employees during the year apart from the directors.

Employment costs (including directors)	2001 £	2000 £
Wages and salaries	56,244	52,434
Social security costs	5,389	5,397
Other pension costs	1,150	500
	<hr/> 62,783 <hr/>	<hr/> 58,331 <hr/>