

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 2002

The directors present their report and financial statements for the year ended 30 November 2002.

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 2001:

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 2002	1 December 2001
Mrs N. Adams	-	540
N. A. Adams	560	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 2002.

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 2002

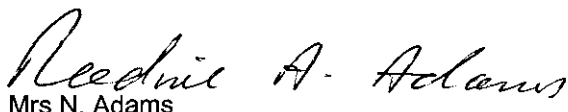
Directors' responsibilities

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

28 February 2003

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 14 for the year ended 30 November 2002. 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 auditor's 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Davies Williams

Chartered Accountants
Registered Auditor


4th Nov 2002

21 St Andrews Crescent
Cardiff
CF10 3DB

PETER ADAMS (INSURANCE BROKERS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2002

	Notes	2002 £	2001 £
Turnover	2	154,954	143,293
Administrative expenses		(142,466)	(131,948)
Operating profit	3	12,488	11,345
Other interest receivable and similar income		1	-
Interest payable and similar charges	4	(5,090)	(3,962)
Profit on ordinary activities before taxation		7,399	7,383
Tax on profit on ordinary activities		-	-
Profit on ordinary activities after taxation	12	7,399	7,383

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 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	5		14,445		8,555
Current assets					
Stocks	6	250		250	
Debtors	7	37,915		29,502	
Cash at bank and in hand		194		4,371	
		<u>38,359</u>		<u>34,123</u>	
Creditors: amounts falling due within one year	8	<u>(14,326)</u>		<u>(17,084)</u>	
Net current assets			24,033		17,039
Total assets less current liabilities			<u>38,478</u>		<u>25,594</u>
Creditors: amounts falling due after more than one year	9		<u>(54,195)</u>		<u>(48,710)</u>
			<u>(15,717)</u>		<u>(23,116)</u>
Capital and reserves					
Called up share capital	11	1,000		1,000	
Profit and loss account	12	(16,717)		(24,116)	
Shareholders' funds - equity interests	13	<u>(15,717)</u>		<u>(23,116)</u>	

The financial statements were approved by the Board on 28 February 2003

N. A. Adams

Mrs N. Adams
Director

N. A. Adams
Director

[Signature]

PETER ADAMS (INSURANCE BROKERS) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2002

	2002 £	2001 £
Net cash inflow from operating activities	5,521	11,570
Returns on investments and servicing of finance		
Interest received	1	-
Interest paid	(5,090)	(3,962)
Net cash outflow for returns on investments and servicing of finance	(5,089)	(3,962)
Capital expenditure		
Payments to acquire tangible assets	(14,492)	-
Receipts from sales of tangible assets	2,300	-
Net cash outflow for capital expenditure	(12,192)	-
Net cash (outflow)/inflow before management of liquid resources and financing	(11,760)	7,608
Net cash outflow from financing	-	-
(Decrease)/increase in cash in the year	(11,760)	7,608

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2002

1	Reconciliation of operating profit to net cash inflow from operating activities	2002	2001
		£	£
	Operating profit	12,488	11,345
	Depreciation of tangible assets	3,073	1,979
	Loss on disposal of tangible assets	3,229	-
	Increase in debtors	(8,413)	(5,539)
	(Decrease)/Increase in creditors within one year	(4,856)	3,785
	Net cash inflow from operating activities	5,521	11,570
2	Analysis of net debt	1 December 2001	Cash flow Other non-cash changes 30 November 2002
		£	£ £ £
	Net cash:		
	Cash at bank and in hand	4,371	(4,177) 194
	Bank overdraft	-	(2,964) (2,964)
		<u>4,371</u>	<u>(7,141)</u> <u>(2,770)</u>
	Debt:		
	Finance leases	(2,368)	(8,034) - (10,402)
	Debts falling due within one year	(3,490)	- - (3,490)
	Debts falling due after one year	(48,710)	3,415 - (45,295)
		<u>(54,568)</u>	<u>(4,619)</u> <u>-</u> <u>(59,187)</u>
	Net debt	(50,197)	(11,760) - (61,957)
3	Reconciliation of net cash flow to movement in net debt	2002	2001
		£	£
	(Decrease)/increase in cash in the year	(7,141)	2,077
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(4,619)	5,531
	Movement in net debt in the year	(11,760)	7,608
	Opening net debt	(50,197)	(57,805)
	Closing net debt	(61,957)	(50,197)

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2002

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

	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	3,073	1,979
Operating lease rentals	816	978
Auditors' remuneration	2,996	2,879
Directors' emoluments	40,199	37,664

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2002

4	Interest payable	2002 £	2001 £
	Bank interest	41	7
	Loan interest	3,218	3,368
	Hire purchase interest	1,831	587
		<hr/>	<hr/>
		5,090	3,962
		<hr/>	<hr/>

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2002

5 Tangible fixed assets

	Office furniture & equipment £	Motor vehicle £	Total £
Cost			
At 1 December 2001	12,223	8,495	20,718
Additions	1,647	12,845	14,492
Disposals	-	(8,495)	(8,495)
At 30 November 2002	13,870	12,845	26,715
Depreciation			
At 1 December 2001	8,297	3,866	12,163
On disposals	-	(2,966)	(2,966)
Charge for the year	557	2,516	3,073
At 30 November 2002	8,854	3,416	12,270
Net book value			
At 30 November 2002	5,016	9,429	14,445
At 30 November 2001	3,926	4,629	8,555

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

	Motor vehicle £
Net book values	
At 30 November 2002	10,972
At 30 November 2001	4,629
Depreciation charge for the year	
30 November 2002	1,873
30 November 2001	1,543

6 Stocks	2002 £	2001 £
Sundry stock	250	250

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2002

7 Debtors	2002 £	2001 £
Trade debtors	34,199	26,098
Prepayments and accrued income	3,716	3,404
	<u>37,915</u>	<u>29,502</u>

8 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans and overdraft (see below)	6,454	3,490
Net obligations under finance lease and hire purchase contracts	1,502	2,368
Taxation and social security	2,026	1,991
Other creditors (see below)	4,344	9,235
	<u>14,326</u>	<u>17,084</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 £6,142 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 £6,453 is unsecured.

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2002

9 Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loans (secured as per note 8)	9,105	12,520
Net obligations under finance leases and hire purchase agreements	8,900	-
Director's loan account	36,190	36,190
	<u>54,195</u>	<u>48,710</u>
Loan maturity analysis		
Between one and two years	5,705	3,490
Between two and five years	14,468	10,470
In five years or more	<u>33,437</u>	<u>34,750</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	3,433	2,901
Repayable between one and five years	<u>11,731</u>	<u>-</u>
	15,164	2,901
Finance charges and interest allocated to future accounting periods	<u>(4,762)</u>	<u>(533)</u>
	10,402	2,368
Included in liabilities falling due within one year	<u>(1,502)</u>	<u>(2,368)</u>
	<u>8,900</u>	<u>-</u>

The director's loan has been made to the company by Mrs N Adams. During the year the company paid £2,204 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 (2001 - £1150).

11 Share capital	2002 £	2001 £
Authorised		
1,000 Ordinary shares of £ 1 each	<u>1000</u>	<u>1000</u>
Allotted, called up and fully paid		
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 2002

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 December 2001	(24,116)
Retained profit for the year	7,399
	<hr/>
Balance at 30 November 2002	(16,717)
	<hr/>

13 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	7,399	7,383
Opening shareholders' funds	(23,116)	(30,499)
	<hr/>	<hr/>
Closing shareholders' funds	(15,717)	(23,116)
	<hr/>	<hr/>

14 Financial commitments

	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Between two and five years	7,638	7,050	9,189	8,813
	<hr/>	<hr/>	<hr/>	<hr/>

15 Capital commitments

There were no capital commitments at 30th November 2002 (2001 - £Nil).

16 Directors' emoluments

	2002 £	2001 £
Emoluments for qualifying services	40,199	37,664
	<hr/>	<hr/>

PETER ADAMS (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2002

17 Employees

Number of employees

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

Employment costs (including directors)	2002 £	2001 £
Wages and salaries	65,904	56,244
Social security costs	5,221	5,389
Other pension costs	1,200	1,150
	<u>72,325</u>	<u>62,783</u>