

## **Plan Insure Limited**

Directors' report and financial statements

30 September 2001

Registered number 1179095



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## Directors' report

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

### Principal activities

The principal activity of the company is that of life assurance and pension broking. The company is regulated by the Personal Investment Authority (PIA).

### Results and review of business

The company has enjoyed a satisfactory year's trading. The results for the year are set out in the profit and loss account.

### Dividends

The directors recommend the payment of a dividend of £25.00 per share (2000: £nil).

### Directors and directors' interests

The directors who held office during the financial year had the following interests in the ordinary shares of the ultimate parent company, according to the register of directors' interests:

	Interest at end of year	Interest at start of year or date of appointment
JM Edwards (Resigned 16-10-00)	-	-
MJ Mitchell (Appointed 16-10-00)	3,222	-
MS Owen (Appointed 16-10-00)	4,334	-
RH Dockerty (Resigned 31-12-00)	-	-

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

### EMU

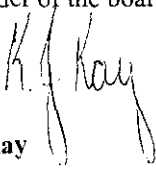
The company does not trade in European currencies and accordingly the impact of the introduction of the Single Currency in Europe will have no immediate effect. The collective investments we deal in may well invest in Europe but presently are denominated in sterling.

## Directors' report *(continued)*

### Auditor

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG Audit Plc as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**KJ Kay**  
*Secretary*

Plan Invest House  
9 King Edward Street  
Macclesfield  
Cheshire  
SK10 1AQ

28 January 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG Audit Plc**

Festival Way  
Stoke-on-Trent  
Staffordshire ST1 5TA

## **Independent auditors' report to the members of Plan Insure Limited**

We have audited the financial statements on pages 5 to 14.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

### **Basis of audit 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 the company's affairs as at 30 September 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditors*

30 January 2002

**Profit and loss account**  
*for the year ended 30 September 2001*

	<i>Note</i>	<b>2001</b> £	<b>2000</b> £
<b>Turnover - continuing operations</b>		<b>660,346</b>	625,142
Administrative expenses		(573,391)	(579,043)
<b>Operating profit - continuing operations</b>		<b>86,955</b>	46,099
Profit on sale of fixed asset investment	8	<b>35,500</b>	-
Other interest receivable and similar income	5	<b>152</b>	266
<b>Profit on ordinary activities before taxation</b>	2	<b>122,607</b>	46,365
Tax on profit on ordinary activities	6	(25,980)	(10,914)
<b>Profit on ordinary activities after taxation</b>		<b>96,627</b>	35,451
Dividends proposed		(100,000)	-
<b>Retained (loss)/profit for the financial year</b>		<b>(3,373)</b>	35,451
Retained profit brought forward		<b>69,121</b>	33,670
<b>Retained profit carried forward</b>		<b>65,748</b>	69,121

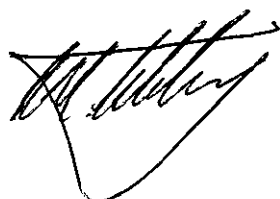
There were no recognised gains or losses in the year other than the profit for the year reported above.

**Balance sheet**  
*at 30 September 2001*

	<i>Note</i>	<b>2001</b>	<b>2000</b>
		£	£
<b>Fixed assets</b>			
Tangible assets	7	27,284	24,980
Investments	8	-	500
		<hr/>	<hr/>
		27,284	25,480
<b>Current assets</b>			
Debtors	9	289,460	178,841
Cash at bank and in hand		7,334	11,671
		<hr/>	<hr/>
<b>Creditors:</b> amounts falling due within one year	10	296,794 (254,330)	190,512 (142,871)
		<hr/>	<hr/>
<b>Net current assets</b>		42,464	47,641
		<hr/>	<hr/>
<b>Net assets</b>		69,748	73,121
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	11	4,000	4,000
Profit and loss account		65,748	69,121
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>		69,748	73,121
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 28 January 2002 and were signed on its behalf by:

**MJ Mitchell**  
*Directors*



**MS Owen**





**Reconciliation of movements in shareholders' funds**  
*for the year ended 30 September 2001*

	2001 £	2000 £
(Loss)/profit for the financial year	(3,373)	35,451
Opening shareholders' funds	73,121	37,670
	<hr/>	<hr/>
Closing shareholders' funds	69,748	73,121
	<hr/>	<hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard No 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

#### *Turnover*

Turnover represents gross commissions receivable from all insurance brokerage earned in the year. Initial commission on life and pension contracts is taken in the period in which the proposal is accepted by the insurance company. Subsequently, renewal commission is taken into the period in which the renewal date falls. Commission on indemnity terms is recognised only when all necessary premiums have been paid over to the insurance company, the balance being shown as deferred income within creditors.

#### *Depreciation*

Depreciation is provided in order to write off the cost less residual value of tangible fixed assets in equal instalments over their expected useful lives as follows:

Furniture and equipment      -      20% per annum

#### *Related party transactions*

The company has, in accordance with the Financial Reporting Standard No 8, taken advantage of the exemption from reporting the transactions between group companies since 90% or more of the voting rights are controlled by the group and the consolidated financial statements in which the company are consolidated are publicly available.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Leasing*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Pension costs*

The group operates a discretionary Money Purchase Scheme. The assets are held separately from those of the group in an independently administered fund. The amount charged against profits represents the contributions payable by the company to the scheme in respect of the accounting period.

### 2 Profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation is attributable to assurance and pension broking services.

	2001 £	2000 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Depreciation	10,561	12,600
Auditors' remuneration:		
Audit	6,225	4,000
Other services	4,203	7,187
Hire of motor vehicles	24,593	21,302

## Notes (continued)

### 3 Remuneration of directors

	2001 £	2000 £
Directors' emoluments	72,024	138,631
Company contributions to money purchase pension schemes	8,205	13,381

The emoluments of the highest paid director were £72,024 (2000: £96,646), and company pension contributions of £8,205 (2000: £8,250) were made to a money purchase scheme on his behalf.

	Number of directors	
	2001	2000
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	2

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2001	2000
Managerial	5	5
Secretarial and clerical	6	6
	11	11

The aggregate payroll costs of these persons were as follows:

	2001 £	2000 £
Wages and salaries	298,073	311,722
Social security	34,934	35,509
Pension costs	21,766	27,635
	354,773	374,866

**Notes (continued)**

**5 Other interest receivable and similar income**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Bank interest	<b>152</b>	<b>266</b>

**6 Taxation**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
UK corporation tax at 20% (2000: 20%)	<b>25,980</b>	<b>10,914</b>
Adjustment relating to an earlier year	<b>-</b>	<b>-</b>
	<b>25,980</b>	<b>10,914</b>

Included in the above amount at 30 September 2001 is £7,091 (2000: £nil) relating to the profit on the sale of the investment detailed in note 8.

**7 Tangible fixed assets**

	<b>Furniture and equipment</b>
	<b>£</b>
<b>Cost</b>	
At 30 September 2000	76,958
Additions	12,865
	<b>89,823</b>
<b>Depreciation</b>	
At 30 September 2000	51,978
Charge for year	10,561
	<b>62,539</b>
<b>Net book value</b>	
At 30 September 2001	<b>27,284</b>
	<b>24,980</b>

## Notes (continued)

### 8 Investments in participating interest

	Participating Interest £
<i>Shares</i>	
<i>Cost</i>	
At 30 September 2000	500
Disposal	500
	<hr/>
	-
	<hr/>
<i>Net book value</i>	
At 30 September 2001	-
	<hr/>
<i>Net book value</i>	
At 30 September 2000	500
	<hr/>

Participating interest	Principal activity	Percentage of ordinary shares sold
Exclusive Insurance Services Limited	General insurance	49%

During the period the participating interest in Exclusive Insurance Services Limited was sold for £36,000 payable in 3 instalments of £12,000 annually. The first instalment being received in the period. The sale created a profit of £35,500.

As the company is a wholly owned subsidiary of another body corporate incorporated in Great Britain, it is exempt by virtue of Sections 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements.

### 9 Debtors

	2001 £	2000 £
Trade debtors	34,382	28,823
Amounts owed by group undertakings	208,835	131,914
Other debtors	25,594	-
Prepayments and accrued income	20,649	18,104
	<hr/>	<hr/>
	289,460	178,841
	<hr/>	<hr/>

Other debtors includes £12,000 due in more than one year in relation to the sale of participating interest in Exclusive Insurance Services Limited.

## Notes (continued)

### 10 Creditors: amounts falling due within one year

	2001 £	2000 £
Corporation tax	25,980	11,013
Other creditors	1,534	3,091
Accruals and deferred income	126,816	128,767
Dividend proposed	100,000	-
	<hr/> 254,330	<hr/> 142,871

Accruals and deferred income includes £57,405 (2000: £14,293) in respect of commission on indemnity terms received but not yet recognised. No such commission has been repaid to suppliers during the year and none of the policies concerned have lapsed.

### 11 Share capital

	2001 £	2000 £
<i>Authorised</i>		
4,000 ordinary shares of £1 each	4,000	4,000
<i>Allotted, called up and fully paid</i>		
4,000 ordinary shares of £1 each	4,000	4,000

### 12 Contingent liabilities

On 25 October 1994 the Securities and Investment Board (SIB) published a report entitled "Pension Transfers and Opt-Outs, Review of Past Business" (the SIB review). The SIB review's objectives were to secure redress for people mis-sold pension transfers and opt-outs on the basis of advice given after 29 April 1998 for transfers to Section 32 contracts, and 1 July 1998 for all other transfers and opt-outs, up to and including 30 June 1994.

The directors arranged to circularise all personal pension and pension transfer cases written in the periods mentioned above and have offered all investors so identified the opportunity to have their case reviewed. The potential liabilities identified by this review have been fully provided in these accounts.

**Notes** *(continued)*

**13 Commitments**

Annual commitments under contract hire agreements are as follows:

	2001 £	2000 £
On leases which expire:		
Within one year	1,597	596
In second to fifth years	29,552	19,850
	<hr/>	<hr/>
	31,149	20,446
	<hr/>	<hr/>

There were no capital commitments at 30 September 2001 (2000: £nil) therefore no provision has been made.

**14 Pension scheme**

The company operates a discretionary money purchase pension scheme for certain of its present directors and employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The cost of pensions included within salaries and other employment costs represents contributions payable by the company to the fund and amounted to £21,766 (2000: £27,635). Prepaid contributions at the end of the year amounted to £3,600 (2000: £5,432).

**15 Ultimate holding company**

The company's ultimate holding company is Plan Invest Limited. This company was incorporated on 25 November 1999 and acquired 100% of the share capital of Plan Invest Group Limited on 16 October 2000. The consolidated financial statements of the group are available to the public and may be obtained from:

The Registrar of Companies  
Crown Way  
Cardiff  
CF4 3UZ