

AMENDING

WYEDEAN INSURANCE SERVICES LIMITED  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2004

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WYEDEAN INSURANCE SERVICES LIMITED  
OFFICERS, ADDRESSES & GENERAL INFORMATION  
AS AT 30<sup>TH</sup> APRIL 2004

1.

Directors: Mr. P. Sheppard  
Mrs. A. Sheppard

Company Secretary: Mrs. A. Sheppard

Registered Office:  
Wyedean House  
27 Gloucester Road  
Ross on Wye,  
Herefordshire  
HR9 5LE

Company Number: 1649818 Registered in England and Wales

Auditor:  
M Gallini  
2 Barton Street  
Tewkesbury  
Glocs

Bankers:  
Midland Bank plc  
32 Gloucester Road  
Ross on Wye,  
Herefordshire

Administrative  
Office:  
Wyedean House  
27 Gloucester Road  
Ross on Wye,  
Herefordshire  
HR9 5LE

WYEDEAN INSURANCE SERVICES LIMITED  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2004

The Directors present their annual report with the financial statements of the company for the year ended 30<sup>th</sup> April 2004.

#### PRINCIPAL ACTIVITY & BUSINESS REVIEW

The principal activity of the company throughout the year under review was that of Insurance Brokerage.

We have focused on new specialist markets that will offer greater profitability. Increases in Motor Trader and EL/PL risks are pleasing.

The directors consider that the results for the year were satisfactory.

#### RESULTS AND DIVIDENDS

The trading profit for the year after taxation came to £632 (2003 – (£3,162)). The directors do not recommend the payment of a final dividend.

#### FIXED ASSETS

The changes in tangible and intangible fixed assets are summarised in the notes to the financial statements.

#### DIRECTORS

The directors in office during the year and their beneficial interests in the company's issued share capital were as follows:

	Ordinary shares of £1 each	
	2004	2003
P. Sheppard	60	60
Mrs. A. Sheppard	60	60

2b.

WYEDEAN INSURANCE SERVICES LIMITED  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2004  
(Continued)

CHARITABLE AND POLITICAL CONTRIBUTIONS

The company did not make any material charitable or political contributions during the year.

CLOSE COMPANY

The company is a close company within the provisions of Section 414, Income & Corporation Taxes Act 1988.

ACCOUNTS ADVISOR/AUDITOR

M Gallini, has expressed his willingness to continue in office.

Approved by the Board of Directors on 15<sup>th</sup> January 2005 and signed on its behalf:



P. SHEPPARD  
Director

15<sup>th</sup> January 2005

WYEDEAN INSURANCE SERVICES LIMITED  
STATEMENT OF 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.

REPORT OF THE AUDITOR TO THE SHAREHOLDERS OF  
WYEDEAN INSURANCE SERVICES LIMITED  
FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2004

I have audited the financial statements on pages 5 to 8e which have been prepared under the historical cost convention and the accounting policies set out on page 8a.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

BASIS OF OPINION

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In my opinion the financial statements give a true and fair view of the state of the company's affairs at 30<sup>th</sup> April 2004 and of its profit and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



M. M. Galini

10<sup>th</sup> January 2005

**WYEDEAN INSURANCE SERVICES LIMITED**  
**PROFIT AND LOSS ACCOUNT AND RECONCILIATION**  
**OF MOVEMENT IN SHAREHOLDERS' FUNDS**  
**FOR THE YEAR ENDED 30TH APRIL 2004**

	Notes	2004 £	2003 £
TURNOVER		252,004	237,120
Establishment Costs		(21,500)	(21,500)
Administration Expenses		(229,003)	(215,101)
		-----	-----
OPERATING PROFIT	2	1,501	519
Interest Receivable		189	122
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,690	641
Tax on profit on ordinary activities	4	(1,058)	(3,803)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		632	(3,162)
Dividends	5	0	0
		-----	-----
RETAINED PROFIT (LOSS) FOR THE YEAR		632	(3,162)
Retained profit brought forward		48,249	51,411
		-----	-----
RETAINED PROFIT CARRIED FORWARD		48,881	48,249
Ordinary Share Capital	12	120	120
		-----	-----
SHAREHOLDERS' FUNDS AT 30 <sup>TH</sup> APRIL 2003		49,001	48,369
		=====	=====

There were no recognised gains or losses other than those reflected in the profit and loss account.

	2004	2003
The operating profit is attributed		
to acquisitions during the year	0	0
to disposals during the year	0	0
to continuing operations	1,690	641

The notes on pages 8a-8e form part of these financial statements.

6.  
WYEDEAN INSURANCE SERVICES LIMITED  
BALANCE SHEET AS AT 30<sup>TH</sup> APRIL 2004

Notes		2004	2003
<b>FIXED ASSETS</b>			
Tangible Assets	7	49,061	46,613
Intangible Assets	8	6,407	8,599
		<u>55,468</u>	<u>55,212</u>
<b>CURRENT ASSETS</b>			
Debtors	9	1,092	301
Cash at Bank - Clients' Account		51,591	48,472
Cash at Bank and In Hand - Office Account		5,677	7,651
		<u>58,360</u>	<u>56,424</u>
CREDITORS becoming due within one year	10	<u>57,001</u>	<u>55,176</u>
<b>NET CURRENT (LIABILITIES) ASSETS</b>		<u>1,359</u>	<u>1,248</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		56,824	56,460
CREDITORS becoming due in more than one year	11	<u>7,943</u>	<u>8,211</u>
		<u>48,881</u>	<u>48,249</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital Profit and Loss Account	12	120	120
		<u>48,881</u>	<u>48,249</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>49,001</u>	<u>48,369</u>

The notes on pages 8a-8e form part of these financial statements.

Approved by the Board of Directors on 28<sup>th</sup> January 2004 and signed on its behalf:

  
P. SHEPPARD  
Director

15<sup>th</sup> January 2004



WYEDEAN INSURANCE SERVICES LIMITED  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2004

7.

	Notes	2004	2003
NET CASH INFLOW			
from operating activities	14	<u>15,707</u>	<u>3,767</u>
Returns on investments			
and servicing of finance:		122	122
Interest received			
Dividend paid		<u>0</u>	<u>0</u>
Net cash (outflow)		<u>122</u>	<u>122</u>
Taxation:			
Tax paid		<u>(1,058)</u>	<u>(6,544)</u>
Investing activities:			
Purchase of fixed assets			
not subject to finance:		(8,041)	(2,562)
Tangible assets			
Intangible assets		<u>0</u>	<u>0</u>
		<u>(3,041)</u>	<u>(2,562)</u>
NET CASH INFLOW before financing		6,730	(5,217)
Financing:			
Finance lease			
and hire purchase payments:		(1,723)	(4,919)
Deposits			
Capital repayments		<u>(9,650)</u>	<u>(6,954)</u>
Net cash (outflow)		<u>(11,373)</u>	<u>(11,873)</u>
INCREASE IN CASH			
AND CASH EQUIVALENTS	15	<u>(4,643)</u>	<u>(17,090)</u>

The notes on pages 8a-8e form part of these financial statements.

WYEDEAN INSURANCE SERVICES LIMITED  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2004

## 1. ACCOUNTING POLICIES

### a) Basis of Accounting

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

### b) Fixed Assets

#### Tangible Assets:

Depreciation is provided at standard scale in order to write off each asset over its estimated useful life at the rates shown on page 8c listed by the following categories:

Computer Equipment

Other Office Equipment

Motor Vehicles Intangible Asset:

Purchased Goodwill is eliminated by amortisation through the profit and loss account over its useful economic life at the following rate:

20% on cost

30% on written-down-value

25% on written-down-value

25% on written-down-value

### c) Deferred Taxation

No provision has been made in the financial statements for taxation deferred by reason of timing differences as it is considered that no material liability to taxation will arise in the foreseeable future as a result of their reversal.

### d) Commissions

Credit is taken for commissions on general business transacted by reference to the date on which the net premium is remitted to the insurance company concerned. This date normally follows soon after the issue by the insurance company of its periodical statement of account.

### e) Pensions

The company operates a defined contribution pension scheme for a former director and a senior employee. The pension charge represents the amounts paid by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company and independently administered.

### f) Turnover

Turnover represents the total value of services provided less any proportion rebated to third party intermediaries. Turnover does not include any income from outside the U.K.

WYEDEAN INSURANCE SERVICES LIMITED  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2004

**2. OPERATING PROFIT**

The operating profit is stated after including:

	2004	2003
Amount written off tangible fixed assets	13,208	9,665
Amount written off intangible fixed assets	2,150	3,701
Directors' Remuneration	25,000	25,000
Staff costs (see Note 3.)	79,675	68,668
Auditors Remuneration	<u>1,300</u>	<u>1,300</u>

**3. STAFF COSTS**

Staff costs were as follows

Salaries	67,485	59,348
Pensions & social security costs	<u>12,190</u>	<u>9,320</u>

Directors' emoluments were made up of:

Salaries	25,000	25,000
Contributions to pension scheme	<u>1,800</u>	<u>1,800</u>

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

Directors	2	2
Office and Management	<u>6</u>	<u>6</u>

**4. TAXATION**

	0	0
Corporation Tax - prior year	831	1,751
Corporation Tax - current year	<u>227</u>	<u>1,459</u>
	<u>1,058</u>	<u>3,803</u>

**5. DIVIDENDS**

Interim Dividend on Ordinary shares of £1	<u>0</u>	<u>0</u>
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**6. TRANSACTIONS WITH DIRECTORS**

The company benefited from commissions earned on insurance policies of directors and their associates. The amounts are not considered to be material.

WYEDEAN INSURANCE SERVICES LIMITED  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2004

**7. TANGIBLE FIXED ASSETS**

COST	Computer Eqp. £	Other Eqp. £	Vehicles Eqp. £	Total £
At 1 <sup>st</sup> May 2003	76,488	20,209	48,775	145,472
Additions in the year	13,506	2,087	0	15,593
Disposals in the year	0	0	0	0
At 30 <sup>th</sup> April 2004	89,994	22,296	48,775	161,065
DEPRECIATION				
At 1 <sup>st</sup> May 2003	45,346	17,079	36,417	98,859
Charge for the year	9,337	781	3,090	13,208
Disposals in the year	0	0	0	0
At 30 <sup>th</sup> April 2004	54,683	17,859	39,507	112,049
NET BOOK VALUE				
At 30 <sup>th</sup> April 2004	<u>35,311</u>	<u>4,437</u>	<u>9,268</u>	<u>49,016</u>
At 1 <sup>st</sup> May 2003	<u>31,124</u>	<u>3,131</u>	<u>12,358</u>	<u>46,613</u>

**8. INTANGIBLE FIXED ASSETS**

COST	Goodwill £	Total £
At 1 <sup>st</sup> May 2003	48,751	48,751
Additions in the year	0	0
Disposals in the year	<u>0</u>	<u>0</u>
At 30 <sup>th</sup> April 2004	<u>48,751</u>	<u>48,751</u>
AMORTISATION		
At 1 <sup>st</sup> May 2003	40,152	40,152
Charge for the year	2,150	2,152
Disposals in the year	<u>42</u>	<u>42</u>
At 30 <sup>th</sup> April 2004	<u>42,344</u>	<u>42,344</u>
NET BOOK VALUE		
At 30 <sup>th</sup> April 2004	<u>6,407</u>	<u>6,407</u>
At 1 <sup>st</sup> May 2003	<u>8,599</u>	<u>8,599</u>

WYEDEAN INSURANCE SERVICES LIMITED  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2004

	2004	2003
<b>9. DEBTORS DUE WITHIN ONE YEAR</b>		
Trade Debtors	0	0
Other Debtors	0	0
Prepayments	1,092	301
Recoverable ACT	0	0
Director's loan	0	0
Recoverable S419 tax on director's loan	0	0
	<u>1,092</u>	<u>301</u>
 <b>10. CREDITORS DUE WITHIN ONE YEAR</b>		
Monies held on behalf of clients	51,591	48,472
Bank loan	2,375	3,712
Trade creditors	988	860
Other Creditors	0	0
Corporation Tax	1,058	1,084
ACT on interim dividend	0	0
Social Security and Other Taxes	0	0
Hire purchase	907	907
Accruals	82	141
	<u>57,001</u>	<u>55,176</u>
 <b>11. CREDITORS DUE IN MORE THAN ONE YEAR</b>		
Bank loan	7,125	5,871
Hire purchase	818	2,340
	<u>0</u>	<u>0</u>
	<u>7,943</u>	<u>8,211</u>
The whole of this amount is payable within less than five years.		
 <b>12. CALLED UP SHARE CAPITAL</b>		
Ordinary shares of £1 each Authorised	50,000	50,000
 Allotted, issued and fully paid	<u>120</u>	<u>120</u>

WYEDEAN INSURANCE SERVICES LIMITED  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2004

13. DEBENTURES

	2004	2003
14. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATIONS		
Operating profit	1,690	641
Depreciation and amortisation charges	15,358	13,366
Decrease (Increase) in debtors	(791)	4,419
Increase (Decrease) in creditors	(550)	(14,659)
Net cash inflow from operations	<u>15,707</u>	<u>3,767</u>

15. ANALYSIS OF CHANGES IN CASH AND  
CASH EQUIVALENTS DURING THE YEAR

Balance at 1 <sup>st</sup> May 2002	52,411	69,501
Net decrease	(4,643)	(17,090)
Balance at 30 <sup>th</sup> April 2003	<u>57,768</u>	<u>52,411</u>

16. ANALYSIS OF THE BALANCE OF CASH  
AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

Cash at bank and in hand:	51,591	48,472
Clients' account Office account	5,677	7,651
Bank loan	(9,500)	(3,712)
	<u>47,768</u>	<u>52,411</u>

17. POST BALANCE SHEET EVENTS

There have been no significant events since the date of these accounts, which significantly affect their accuracy.