

PETER BLEM ADJUSTERS LIMITED

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REPORT & ACCOUNTS  
2002

Company Registration No. 1677423



## PETER BLEM ADJUSTERS LIMITED

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## **PETER BLEM ADJUSTERS LIMITED**

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### **Company Information**

#### **Directors**

Mr P A G Green  
Mr P J McCann  
Mr A K Quilter

#### **Auditors**

Ernst & Young LLP  
Rolls House  
7 Rolls Buildings  
Fetter Lane  
London EC4A 1NH

**Registered No. 1677423**

#### **Registered Office**

51 -59 Rose Lane Norwich NR1 1JY England

#### **London Office**

Caveat House 14 Lovat Lane London EC3R 8DZ  
Telephone: (020) 7357 7326 Facsimile: (020) 7357 7700

## **PETER BLEM ADJUSTERS LIMITED**

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### **Report of the Directors**

The Directors present their report and the accounts of the Company for the year ended 31 December 2002.

#### **Principal activity**

The principal activity of the Company is that of loss adjusters, reinsurance reassessment and run-off administration.

#### **Business review**

After allowing for taxation, there was a profit for the year of £39,000 (2001 - loss £283,000). The Directors do not recommend the payment of a dividend for the year (2001 - Nil).

#### **Auditors**

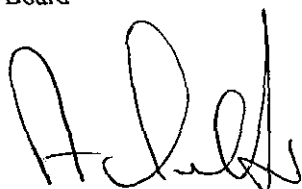
A resolution to reappoint Ernst & Young LLP as auditors will be proposed at the forthcoming Annual General Meeting.

#### **Directors**

The names of the Directors at the date of this Report appear on page 2. Mr O W Hula, Mr S J Blease, and Mr J Scollen, who were Directors throughout 2002, resigned on 28 January 2003. Mr P J McCann and Mr A K Quilter were appointed on the same date.

According to the register kept for the purpose of the Companies Act 1985, no Director has any beneficial interest or option to subscribe for shares in the Company.

By Order of the Board



A K QUILTER  
Director

23 September 2003

**Statement of Directors' Responsibilities in respect of the Accounts**

Company law requires the Directors to prepare accounts 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 accounts 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; and
- . prepare the accounts 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 accounts 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.

**Independent Auditors' Report to the Members of Peter Blem Adjusters Limited**

We have audited the company's accounts for the year ended 31 December 2002 which comprise the Statement of Accounting Policies, Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 16. These accounts have been prepared on the basis of 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 the Directors and Auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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.

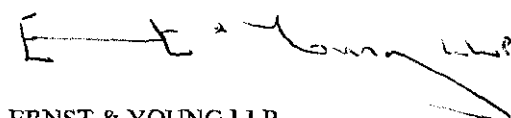
**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG LLP  
Registered Auditor  
London

23 September 2003

## Statement of Accounting Policies

The accounts are prepared under the historical cost convention, in accordance with applicable accounting standards, and on a going concern basis.

Service fees have been included on an accruals basis, excluding value added tax.

Quoted investments and assurance policy are valued at the lower of cost and market value. Subsidiary and joint venture investments are valued at cost less any permanent diminution in value.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Depreciation is provided on all tangible assets at the following rates:

Office equipment - 25% on the written down value

**Defined contribution scheme.**

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

**PETER BLEM ADJUSTERS LIMITED****Profit and Loss Account  
for the year ended 31 December 2002**

	Notes	2002 £'000	2001 £'000
Turnover	1	93	294
Cost of services provided		<u>(137)</u>	<u>(566)</u>
Gross loss		(44)	(272)
Other operating income		4	1
Other interest receivable and similar income		-	3
Interest payable and similar charges	2	(9)	(15)
Surplus on disposal of long leasehold property		88	-
Profit/(loss) on ordinary activities before taxation	3	<u>39</u>	<u>(283)</u>
Taxation	4	-	-
Profit/(loss) for the year		<u>39</u>	<u>(283)</u>

**Statement of retained losses**

Retained (losses)/profits as at 1 January	(127)	156
Profit/(loss) for the year	39	(283)
Retained losses as at 31 December	<u>(88)</u>	<u>(127)</u>

**Statement of Total Recognised Gains and Losses  
for the year ended 31 December 2002**


There are no recognised gains or losses other than the profit for the year of £39,000 (2001 - loss £283,000).



**PETER BLEM ADJUSTERS LIMITED**

**Balance Sheet  
as at 31 December 2002**

	Notes	2002 £'000	2001 £'000
<b>Fixed Assets</b>			
Tangible assets	7	-	114
Investments	8	<u>61</u>	<u>56</u>
		<u>61</u>	<u>170</u>
<b>Current assets</b>			
Debtors	9	64	108
Cash at bank and in hand		<u>83</u>	<u>62</u>
		147	170
<b>Creditors : amounts falling due within one year</b>	10	146	181
<b>Net current assets/(liabilities)</b>		<u>1</u>	<u>(11)</u>
<b>Total assets less current liabilities</b>		62	159
<b>Creditors : amounts falling due after more than one year</b>	11	-	136
<b>Net assets</b>		<u>62</u>	<u>23</u>
<b>Capital and reserves</b>			
Called up share capital	12	150	150
Profit and loss account		(88)	(127)
<b>Shareholder's funds attributable to equity interests</b>		<u>62</u>	<u>23</u>



A K QUILTER  
Director

23 September 2002

PETER BLEM ADJUSTERS LIMITED

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Reconciliation of Movements in Shareholder's Funds  
for the year ended 31 December 2002

	2002 £'000	2001 £'000
Shareholder's funds as at 1 January	23	206
Increase in share capital	-	100
Profit/(loss) for the year	39	(283)
Shareholder's funds as at 31 December	<u>62</u>	<u>23</u>

## PETER BLEM ADJUSTERS LIMITED

### Notes to the Accounts

#### 1 Turnover

Turnover represents service fees which result from the Company's ordinary activities, all of which are continuing and are undertaken in the United Kingdom.

#### 2 Interest payable

	2002 £'000	2001 £'000
Interest payable on other loans	<u>9</u>	<u>15</u>

#### 3 Profit on ordinary activities before taxation

The profit (2001 - loss) for the year is after the deduction/(addition) of:

	2002 £'000	2001 £'000
Auditors' remuneration - audit services	5	4
Foreign exchange difference	(1)	-
Depreciation	-	5

#### 4 Taxation

(a) No provision has been made in the accounts for corporation tax on the result for the year as there is a taxable loss for the year.

(b) Factors affecting current tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30% (2001 - 30%). The differences are explained below:

	2002 £'000	2001 £'000
Profit/(loss) on ordinary activities before tax	<u>39</u>	<u>(283)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001 - 30%)	12	(85)
Expenses not deductible for tax purposes	5	4
Profit on disposal of leasehold property not taxable	(29)	-
Unrelieved losses carried forward	12	81
Non-trading deficits on loan relationships carried forward	2	1
Other	<u>(2)</u>	<u>(1)</u>
	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

The company has tax losses arising in the UK of £422,000 (2001 - £383,000) that are available indefinitely for offset against future taxable profits of the company.

## PETER BLEM ADJUSTERS LIMITED

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### Notes to the Accounts

#### 4 Taxation (continued)

(d) Details of the deferred tax asset not included in the accounts is given below:

	2002 £'000	2001 £'000
Accelerated capital allowances	(5)	(7)
Trading losses available for carry forward	<u>(127)</u>	<u>(115)</u>
	<u>(132)</u>	<u>(122)</u>

#### 5 Staff costs

	2002 £'000	2001 £'000
Wages and salaries	23	221
Social security costs	4	19
Other pension costs	2	14

The average monthly number of employees employed during the year was made up as follows :

	2002 No.	2001 No.
Services	2	4

#### 6 Directors' emoluments

The total remuneration received by the Directors for the year is as follows :

	2002 £	2001 £
Director's remuneration (including benefits)	-	128
Pension contributions	<u>-</u>	<u>9</u>
	<u>-</u>	<u>137</u>

Notes to the Accounts

7 Tangible assets

	Long leasehold property £'000	Office equipment £'000	Total £'000
<i>Cost</i>			
At beginning of year	193	30	223
Disposals	(193)	-	(193)
<b>At end of year</b>	<b>-</b>	<b>30</b>	<b>30</b>
<i>Depreciation</i>			
At beginning of year	79	30	109
Disposals	(79)	-	(79)
<b>At end of year</b>	<b>-</b>	<b>30</b>	<b>30</b>
<i>Net book value</i>			
<b>At end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>
At beginning of year	114	-	114

8 Fixed asset investments

	2002 £	2001 £
<i>Quoted</i>		
Listed in the UK	375	375
Market value £594 (2001 - £1,499)		
Assurance policy	59,771	54,441
<i>Subsidiary</i>		
Shares at cost	1,000	1,000
<i>Joint venture</i>		
Shares at cost	10,000	10,000
Loan	15,000	15,000
	25,000	25,000
Amount written off investments	(25,000)	(25,000)
	<b>61,146</b>	<b>55,816</b>

The joint venture is no longer trading and the directors consider it unlikely that the cost of the investment will be recovered.

# PETER BLEM ADJUSTERS LIMITED

## Notes to the Accounts

### 8 Fixed asset investments (continued)

#### *Details of fixed asset investments:*

	Country of registration	Percentage of issued share capital held	Capital and reserves £	Profit/(loss) for the financial year £
<i>Subsidiary</i>				
Peter Blem Associates Limited	England	100%	645	-
<i>Joint venture</i>				
Recover Re Limited	England	50%	-	-

### 9 Debtors

	2002 £'000	2001 £'000
Trade debtors	48	105
Amounts owed by group undertakings	6	-
Prepayments and accrued income	10	3
	<u>64</u>	<u>108</u>

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

	2002 £'000	2001 £'000
Amounts owed to group undertakings	134	83
Other creditors	7	33
Accruals and deferred income	5	65
	<u>146</u>	<u>181</u>

### 11 Creditors: amounts falling due after more than one year

	2002 £'000	2001 £'000
Other loans	-	136

## PETER BLEM ADJUSTERS LIMITED

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### Notes to the Accounts

#### 12 Share capital

	2002 £'000	2001 £'000
<i>Authorised, issued and fully paid</i>		
150,000 ordinary shares of £1 each	<u>150</u>	<u>150</u>

#### 13 Accounting for pension costs

##### Defined Contribution Scheme

The company operates a defined contribution scheme for the benefit of directors and senior employees. The assets of the scheme are administered by trustees in a fund independent from those of the company. Contributions for the year were £1,660 (2001 - £14,173).

#### 14 Related party transactions

Advantage has been taken of the exemption under Financial Reporting Standard 8, "Related Party Disclosures", from disclosing transactions with related parties which are members or investees of the group at the balance sheet date, on the grounds that Peter Blem Adjusters Limited is a wholly owned subsidiary undertaking of Cavell Holdings Limited, which prepares publicly available consolidated accounts which include Peter Blem Adjusters Limited.

#### 15 Cash flow statement

Advantage has been taken of the exemption under Financial Reporting Standard 1 (Revised), "Cash Flow Statements", from preparing a cash flow statement on the grounds that Peter Blem Adjusters Limited is a wholly owned subsidiary undertaking of Cavell Holdings Limited, which prepares its own consolidated group cash flow statement which includes Peter Blem Adjusters Limited.

#### 16 Parent and controlling undertakings

The immediate parent undertaking is Cavell Management Services Limited, which is registered in England.

The parent undertaking of the smallest group for which group accounts including the Company are prepared is Cavell Holdings Limited, which is registered in England. Copies of its accounts can be obtained from Rose Lane Business Centre, Rose Lane, Norwich, NR1 1JY, England.

The Directors regard Dukes Place Holdings L.P., incorporated in Bermuda, as the Company's ultimate parent undertaking.

The Directors consider Mr S Patel to be the ultimate controlling party.