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REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1999
FOR
D.T.E. FINANCIAL SERVICES LIMITED



D.T.E. FINANCIAL SERVICES LIMITED

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FOR THE YEAR ENDED 30 APRIL 1999

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D.T.E. FINANCIAL SERVICES LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 1999

DIRECTORS:	K R Train M J MacDonald D A Roberts J D Davenport
SECRETARY:	M J MacDonald
REGISTERED OFFICE:	DTE House Hollins Mount Bury Lancashire BL9 8AT
REGISTERED NUMBER:	01967512 (England and Wales)
AUDITORS:	Wrigley Partington Chartered Accountants and Registered Auditors Sterling House 501 Middleton Road Chadderton Oldham OL9 9LY
BANKERS:	National Westminster Bank plc PO Box No 305 Spring Gardens Manchester M60 2DB

D.T.E. FINANCIAL SERVICES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 1999

The directors present their report with the financial statements of the company for the year ended 30 April 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of financial services, particularly the supply of life assurance and pension products.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors consider the results for the year and the final balance sheet position to be satisfactory and expect the present level of activity to continue for the foreseeable future.

DIVIDENDS

Interim dividends per share were paid as follows:

£20	- 1 June 1998
£30	- 1 August 1998
<u>£30</u>	- 1 November 1998
<u>£80</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 April 1999 will be £80,000.

DIRECTORS

The directors during the year under review were:

K R Train	
M J MacDonald	
D A Roberts	
I S A MacLavery	- resigned 1 May 1999
J D Davenport	- appointed 1 May 1999

The beneficial interests of the directors holding office on 30 April 1999 in the issued share capital of the company were as follows:

	30.4.99	1.5.98
Ordinary £1 shares		
K R Train		
M J MacDonald		
D A Roberts		
I S A MacLavery		
	900	900
	100	100

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.

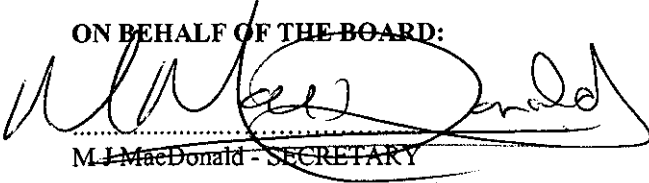
D.T.E. FINANCIAL SERVICES LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 1999

AUDITORS

The auditors, Wrigley Partington, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'M.J. MacDonald', is written over a horizontal dotted line. The signature is fluid and cursive.

M.J. MacDonald - SECRETARY

Dated: 19 May 2000

D.T.E. FINANCIAL SERVICES LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
D.T.E. FINANCIAL SERVICES LIMITED

We have audited the financial statements on pages five to fifteen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

Respective responsibilities of directors and auditors

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

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Wrigley Partington
Chartered Accountants and
Registered Auditors
Sterling House
501 Middleton Road
Chadderton
Oldham

OL9 9LY

Dated: 23rd May 2000

D.T.E. FINANCIAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 1999

		<u>30.4.99</u>	<u>30.4.98</u>
	Notes	£	£
TURNOVER		560,360	606,561
Cost of sales		<u>35,045</u>	<u>82,880</u>
GROSS PROFIT		525,315	523,681
Administrative expenses		<u>434,204</u>	<u>386,419</u>
		91,111	137,262
Other operating income		<u>16,000</u>	<u>15,000</u>
OPERATING PROFIT	3	107,111	152,262
Interest receivable and similar income		<u>1,251</u>	<u>944</u>
		108,362	153,206
Interest payable and similar charges	4	<u>5,474</u>	<u>2,777</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		102,888	150,429
Tax on profit on ordinary activities	5	<u>22,745</u>	<u>31,643</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		80,143	118,786
Dividends	6	<u>80,000</u>	<u>120,000</u>
		143	(1,214)
Retained profit brought forward		<u>9,069</u>	<u>10,283</u>
RETAINED PROFIT CARRIED FORWARD		<u>£9,212</u>	<u>£9,069</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES


The company has no recognised gains or losses other than the profits for the current and previous years.

D.T.E. FINANCIAL SERVICES LIMITED

BALANCE SHEET
30 APRIL 1999

		<u>30.4.99</u>		<u>30.4.98</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		52,121		49,996
CURRENT ASSETS:					
Stocks	8	294		175	
Debtors	9	50,591		49,786	
Investments	10	165		165	
Cash at bank and in hand		<u>205</u>		<u>172</u>	
		51,255		50,298	
CREDITORS: Amounts falling due within one year	11	<u>86,195</u>		<u>80,660</u>	
NET CURRENT LIABILITIES:			<u>(34,940)</u>		<u>(30,362)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			17,181		19,634
CREDITORS: Amounts falling due after more than one year	12		<u>6,969</u>		<u>9,565</u>
			<u>£10,212</u>		<u>£10,069</u>
CAPITAL AND RESERVES:					
Called up share capital	15		1,000		1,000
Profit and loss account			<u>9,212</u>		<u>9,069</u>
Shareholders' funds	19		<u>£10,212</u>		<u>£10,069</u>

ON BEHALF OF THE BOARD:



K R Train - DIRECTOR

Approved by the Board on 19 May 2000

The notes form part of these financial statements

D.T.E. FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 1999

		<u>30.4.99</u>		<u>30.4.98</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		102,575		181,179
Returns on investments and servicing of finance	2		(4,223)		(1,833)
Taxation			(24,143)		(75,143)
Capital expenditure	2		4,381		13,195
Equity dividends paid			<u>(80,000)</u>		<u>(120,000)</u>
			(1,410)		(2,602)
Financing	2		<u>(23,131)</u>		<u>(32,806)</u>
Decrease in cash in the period			<u>£(24,541)</u>		<u>£(35,408)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(24,541)		(35,408)	
Cash outflow from decrease in debt and lease financing		<u>25,131</u>		<u>27,281</u>	
Change in net debt resulting from cash flows			590		(8,127)
New finance leases			<u>(23,242)</u>		<u>(28,758)</u>
Movement in net debt in the period			(22,652)		(36,885)
Net (debt)/funds at 1 May 1998			<u>(26,290)</u>		<u>10,595</u>
Net debt at 30 April 1999			<u>£(48,942)</u>		<u>£(26,290)</u>

The notes form part of these financial statements

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 1999

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	30.4.99 £	30.4.98 £
Operating profit	107,111	152,262
Depreciation charges	14,774	12,858
Loss on sale of fixed assets	1,962	1,740
(Increase)/Decrease in stocks	(119)	75
(Increase)/Decrease in debtors	(2,805)	52,718
Decrease in creditors	<u>(18,348)</u>	<u>(38,474)</u>
Net cash inflow from operating activities	<u>102,575</u>	<u>181,179</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30.4.99 £	30.4.98 £
Returns on investments and servicing of finance		
Interest received	1,251	944
Interest paid	(2,625)	(302)
Interest element of hire purchase payments	<u>(2,849)</u>	<u>(2,475)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(4,223)</u>	<u>(1,833)</u>
Capital expenditure		
Purchase of tangible fixed assets	(3,869)	(10,955)
Sale of tangible fixed assets	<u>8,250</u>	<u>24,150</u>
Net cash inflow for capital expenditure	<u>4,381</u>	<u>13,195</u>
Financing		
Loan repayments in year	(25,131)	(27,281)
Amount introduced by directors	2,000	-
Amount withdrawn by directors	<u>-</u>	<u>(5,525)</u>
Net cash outflow from financing	<u>(23,131)</u>	<u>(32,806)</u>

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 1999

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.98 £	Cash flow £	Other non-cash changes £	At 30.4.99 £
Net cash:				
Cash at bank and in hand	172	33		205
Bank overdraft	<u>(5,552)</u>	<u>(24,574)</u>		<u>(30,126)</u>
	<u>(5,380)</u>	<u>(24,541)</u>		<u>(29,921)</u>
Liquid resources:				
Current asset investments	<u>165</u>	—	—	<u>165</u>
	<u>165</u>	—	—	<u>165</u>
Debt:				
Hire purchase	<u>(21,075)</u>	<u>25,131</u>	<u>(23,242)</u>	<u>(19,186)</u>
	<u>(21,075)</u>	<u>25,131</u>	<u>(23,242)</u>	<u>(19,186)</u>
Total	<u>(26,290)</u>	<u>590</u>	<u>(23,242)</u>	<u>(48,942)</u>
Analysed in Balance Sheet				
Cash at bank and in hand	172			205
Current asset investments	165			165
Bank overdraft	<u>(5,552)</u>			<u>(30,126)</u>
Hire purchase within one year	<u>(11,510)</u>			<u>(12,217)</u>
after one year	<u>(9,565)</u>			<u>(6,969)</u>
	<u>(26,290)</u>			<u>(48,942)</u>

The notes form part of these financial statements

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1999

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents commissions and other income received during the year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Office equipment and computers	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	30.4.99	30.4.98
	£	£
Wages and salaries	293,371	281,635
Social security costs	27,233	24,013
Other pension costs	2,314	1,725
	<u>322,918</u>	<u>307,373</u>

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

	30.4.99	30.4.98
Management and administration	9	6
Sales and general administration	<u>8</u>	<u>6</u>
	<u>17</u>	<u>12</u>

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1999

3. OPERATING PROFIT

The operating profit is stated after charging:

	30.4.99	30.4.98
	£	£
Depreciation - owned assets	3,106	3,250
Depreciation - assets on hire purchase contracts	11,668	9,608
Loss on disposal of fixed assets	1,962	1,740
Auditors' remuneration	<u>588</u>	<u>588</u>
 Directors' emoluments	 <u>111,680</u>	 <u>150,737</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	30.4.99	30.4.98
	£	£
Bank interest	2,503	187
Interest on late payment of tax	122	115
Hire purchase	<u>2,849</u>	<u>2,475</u>
	<u>5,474</u>	<u>2,777</u>

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	30.4.99	30.4.98
	£	£
UK corporation tax	<u>22,745</u>	<u>31,643</u>

UK corporation tax has been charged at 20.92% (1998 - 21.04%).

6. DIVIDENDS

	30.4.99	30.4.98
	£	£
Equity shares:		
Interim - ordinary	<u>80,000</u>	<u>120,000</u>

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1999

7. TANGIBLE FIXED ASSETS

	Office equipment and computers	Motor vehicles	Totals
	£	£	£
COST:			
At 1 May 1998	60,467	36,297	96,764
Additions	1,368	25,743	27,111
Disposals	<u>-</u>	<u>(11,400)</u>	<u>(11,400)</u>
At 30 April 1999	<u>61,835</u>	<u>50,640</u>	<u>112,475</u>
DEPRECIATION:			
At 1 May 1998	40,441	6,327	46,768
Charge for year	3,106	11,668	14,774
Eliminated on disposals	<u>-</u>	<u>(1,188)</u>	<u>(1,188)</u>
At 30 April 1999	<u>43,547</u>	<u>16,807</u>	<u>60,354</u>
NET BOOK VALUE:			
At 30 April 1999	<u>18,288</u>	<u>33,833</u>	<u>52,121</u>
At 30 April 1998	<u>20,026</u>	<u>29,970</u>	<u>49,996</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles
	£
COST:	
At 1 May 1998	36,297
Additions	25,743
Disposals	<u>(11,400)</u>
At 30 April 1999	<u>50,640</u>
DEPRECIATION:	
At 1 May 1998	6,327
Charge for year	11,668
Eliminated on disposals	<u>(1,188)</u>
At 30 April 1999	<u>16,807</u>
NET BOOK VALUE:	
At 30 April 1999	<u>33,833</u>
At 30 April 1998	<u>29,970</u>

8. STOCKS

	30.4.99	30.4.98
	£	£
Stock of stationery and office sundries	<u>294</u>	<u>175</u>

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1999

9. DEBTORS

	30.4.99	30.4.98
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	14,515	5,305
Directors' current account	3,525	5,525
Amount due from Downham Train Epstein	2,569	8,882
Amount due from DTE Insurance Brokers Limited	<u>12,482</u>	<u>12,574</u>
	<u>33,091</u>	<u>32,286</u>

The director's current account was fully repaid on 31 July 1999

Amounts falling due after more than one year:

Loan to DTE Insurance Brokers Limited	<u>17,500</u>	<u>17,500</u>
	<u>17,500</u>	<u>17,500</u>
Aggregate amounts	<u>50,591</u>	<u>49,786</u>

The above loan to DTE Insurance Brokers Limited is unsecured, interest free and subject to at least thirty six months notice in respect of repayment.

10. CURRENT ASSET INVESTMENTS

	30.4.99	30.4.98
	£	£
Investments	<u>165</u>	<u>165</u>

The company owns 100% of the share capital of Downham Rose Nominees Limited, a non-trading company which was incorporated in England on 11 May 1988.

The subsidiary company has not yet commenced to trade and unless an appropriate level of profitable trading takes place in the future the investment will have a nil value.

**11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.4.99	30.4.98
	£	£
Bank loans and overdrafts (see note 13)	30,126	5,552
Hire purchase contracts (see note 14)	12,217	11,510
Trade creditors	175	2,017
Social security and PAYE	10,103	11,908
Corporation tax	2,745	1,643
Advance corporation tax	-	2,500
Accruals and deferred income	<u>30,829</u>	<u>45,530</u>
	<u>86,195</u>	<u>80,660</u>

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1999

**12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	30.4.99	30.4.98
	£	£
Hire purchase contracts (see note 14)	<u>6,969</u>	<u>9,565</u>

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	30.4.99	30.4.98
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>30,126</u>	<u>5,552</u>

The bank overdraft with National Westminster Bank plc is secured by a general debenture over the company's assets and guaranteed by personal guarantees of £30,000 each from Messrs. Train and MacDonald.

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	30.4.99	30.4.98
	£	£
Gross obligations repayable:		
Within one year	13,453	12,999
Between one and five years	<u>7,323</u>	<u>9,839</u>
	<u>20,776</u>	<u>22,838</u>
Finance charges repayable:		
Within one year	1,236	1,489
Between one and five years	<u>354</u>	<u>274</u>
	<u>1,590</u>	<u>1,763</u>
Net obligations repayable:		
Within one year	12,217	11,510
Between one and five years	<u>6,969</u>	<u>9,565</u>
	<u>19,186</u>	<u>21,075</u>

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	30.4.99	30.4.98
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.4.99	30.4.98
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

D.T.E. FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1999

16. CONTINGENT LIABILITIES

a) The company receives commission in advance of the period over which such commissions are earned. If policies are cancelled for whatever reason over a period typically of up to four years then the company may suffer a clawback of commissions previously received and credited to the profit and loss account. The directors do not consider any provision for such a clawback to be appropriate as historically the amounts involved have been small and it is extremely difficult to quantify an appropriate amount.

b) There is a deferred liability to Corporation Tax at the balance sheet date not provided within the accounts of £1,612 (1998 £3,076) calculated at the rate of 31 % (1998 31%) on the excess of the net book value of those assets on which capital allowances are granted over their corresponding taxation written down values.

c) There is a contingent liability of about £12,500 in respect of employer's National Insurance on bonuses paid to directors in April 1995 in the form of offshore trust interests. The company is currently disputing this liability with the Inland Revenue and if unsuccessful there will be a further charge for social security costs to the Profit and Loss Account.

17. PENSION COMMITMENTS

During the year the company paid non director pension fund contributions of £2,314 which will continue at similar levels in the future.

18. TRANSACTIONS WITH DIRECTORS

During the year the company undertook transactions under normal trading terms with the following company and business in which Messrs. Train, MacDonald and Roberts have a material interest:-

Downham Train Epstein
DTE Insurance Brokers Limited

The quantum of such transactions undertaken is not considered to be material in the context of the financial statements as a whole.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.4.99	30.4.98
	£	£
Profit for the financial year	80,143	118,786
Dividends	<u>(80,000)</u>	<u>(120,000)</u>
NET ADDITION/(REDUCTION) TO SHAREHOLDERS' FUNDS	143	(1,214)
Opening shareholders' funds	<u>10,069</u>	<u>11,283</u>
CLOSING SHAREHOLDERS' FUNDS	<u>10,212</u>	<u>10,069</u>
 Equity interests	 <u>10,212</u>	 <u>10,069</u>