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STEPHEN HOLT & COMPANY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1999**

Company Number: 2519968



STEPHEN HOLT & COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 1999

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STEPHEN HOLT & COMPANY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1999**

COMPANY INFORMATION

DIRECTORS:

S R W Holt Esq
R F Watkins Esq
Mrs P M Holt
J J Dufton Esq

SECRETARY:

Mrs P M Holt

REGISTERED OFFICE:

1 Parkview Court
St Paul's Road
SHIPLEY
West Yorkshire
BD18 3DZ

AUDITORS:

Mazars Neville Russell
Chartered Accountants
Mazars House
Gelderd Road
Gildersome
LEEDS
LS27 7JN

STEPHEN HOLT & COMPANY LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 October 1999.

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;
- ☐ comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- ☐ 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.

The directors of the company are required by the rules of PIA to ensure that:

- ☐ at all times the company has available the amount and type of financial resources specified by the rules;
- ☐ the company maintains adequate accounting records and prepares and submits the reports required by PIA in a timely manner. The company's records:
 - a) must be up to date and disclose, with reasonable accuracy, at any time, the company's financial position at that time;
 - b) must enable the company to demonstrate its continuing compliance with its financial resources requirements; and
 - c) must provide the information:
 - i) which the company needs to prepare the financial statements and periodical reports required by PIA, and
 - ii) which the company's auditors need to form an opinion on the financial statements on which they are required to report.

STEPHEN HOLT & COMPANY LIMITED

DIRECTORS' REPORT (Continued...)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (Continued...)

- ☐ the company, for the purpose of its compliance with rules on financial supervision, has internal controls and systems adequate for the size, nature and complexity of its activities;
- ☐ the company notifies PIA immediately it becomes aware that it is in breach of, or that it expects shortly to be in breach of, the core rules on financial resources, records and reporting or internal controls and systems; and
- ☐ the company appoints auditors and makes available the information and explanations they need to discharge their responsibilities as required by PIA.

REVIEW OF THE BUSINESS

The principal activity of the company continued to be the provision of life and pensions advice and investment management. Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

RESULTS AND DIVIDENDS

The results of the company for the year ended 31 October 1999 are set out in the financial statements on pages 6 to 16.

Retained profits of £107,952 have been transferred to reserves.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 November 1998 to the date of this report unless otherwise stated.

The interests of the directors holding office on 31 October 1999 in the shares of the company, according to the register of directors' interests, were as shown below:

Director's name	Ordinary Shares of £1 each	
	31 October 1999 Beneficial Interests	1 November 1998 Beneficial Interests
S R W Holt Esq	29,999	49,999
Mrs P M Holt	45,101	1
R F Watkins Esq	-	-
J J Dufton Esq	-	-

SRW Holt and Mrs P M Holt are the trustees of two trusts which together hold 25,100 ordinary shares in the company.

STEPHEN HOLT & COMPANY LIMITED

DIRECTORS' REPORT (Continued...)

AUDITORS

A resolution to appoint Mazars Neville Russell as auditors will be proposed at the forthcoming annual general meeting.

Approved by the board on 21 February 2000
and signed on its behalf by



Mrs P M Holt, Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF STEPHEN HOLT & COMPANY LIMITED

We have audited the financial statements on pages 6 to 16 which have been prepared following the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 2 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 31 October 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors

Mazars House
Gelderd Road
Gildersome
LEEDS
West Yorkshire
LS27 7JN

Dated: 21 February 2000

STEPHEN HOLT & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 1999

	Notes	1999 £	1998 £
REVENUE	2		
Commissions on transactions in:			
Collective investment schemes		61,731	57,716
Life assurance policies			
(a) on indemnity terms	3	1,355	-
(b) other initial commission		274,828	129,758
(c) renewal commission		43,287	36,081
Other – third-party transactions		-	7,540
Investment management fees		188,041	110,369
Fees for investment advice		(317)	1,499
Other revenue – financial advice fees		2,277	1,000
- gain on investments		<u>-</u>	<u>23,863</u>
TOTAL REVENUE		571,202	367,826
TOTAL EXPENDITURE	4	<u>(458,019)</u>	<u>(374,440)</u>
OPERATING PROFIT/(LOSS)		113,183	(6,614)
Other interest received and similar income		<u>17,470</u>	<u>9,035</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	130,653	2,421
Taxation on profit on ordinary activities	8	<u>(22,701)</u>	<u>-</u>
RETAINED PROFIT FOR THE YEAR	16	<u>107,952</u>	<u>2,421</u>

The company's revenue and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the profit for the year.

The profit for the year has been calculated on the historical cost basis.

STEPHEN HOLT & COMPANY LIMITED

BALANCE SHEET AT 31 OCTOBER 1999


	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible assets	9	<u>53,639</u>	<u>36,097</u>
TOTAL FIXED ASSETS		<u>53,639</u>	<u>36,097</u>
CURRENT ASSETS			
Debtors	10	9,016	30,398
Cash at bank and in hand	11	443,400	238,560
Prepayments and accrued income	10	12,035	11,630
TOTAL CURRENT ASSETS		<u>464,451</u>	<u>280,588</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	12		
Trade creditors		8,755	2,578
Taxation		24,677	-
Other creditors		29,170	12,085
Accruals and deferred income		60,803	15,289
TOTAL CREDITORS FALLING DUE WITHIN ONE YEAR		<u>123,405</u>	<u>29,952</u>
NET CURRENT ASSETS		<u>341,046</u>	<u>250,636</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		394,685	286,733
PROVISIONS FOR LIABILITIES AND CHARGES			
Commission on indemnity terms		-	-
TOTAL ASSETS LESS TOTAL LIABILITIES		<u>394,685</u>	<u>286,733</u>

STEPHEN HOLT & COMPANY LIMITED

BALANCE SHEET AT 31 OCTOBER 1999 (Continued...)

	Notes	1999 £	1998 £
CAPITAL AND RESERVES			
Called up share capital	15	50,000	50,000
Share premium account	16	20,904	20,904
Profit and loss account	16	323,781	215,829
SHAREHOLDERS' FUNDS	17	<u>394,685</u>	<u>286,733</u>

Approved by the board on 21 February 2000
and signed on it's behalf by



S R W Holt, Director



Mrs P M Holt, Director

STEPHEN HOLT & COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 1999

	1999		1998	
	£	£	£	£
Operating profit/(loss)	113,183		(6,614)	
Depreciation charges	13,941		11,870	
Profit on disposal of fixed assets	(272)		-	
Decrease/(increase) in debtors	20,977		(24,258)	
(Increase)/decrease in creditors	<u>68,776</u>		<u>(20,205)</u>	
Net cash inflow/(outflow) from operating activities		216,605		(39,207)
Returns on investment and servicing of finance				
Interest received		17,470		9,035
UK corporation tax paid		1,976		(13,752)
CAPITAL EXPENDITURE				
Receipts from sale of tangible fixed assets	5,300		-	
Payments to acquire tangible fixed assets	<u>(36,511)</u>		<u>(4,460)</u>	
Net cash outflow from investing activities		(31,211)		(4,460)
Increase/(decrease) in net funds		<u>204,840</u>		<u>(48,384)</u>
ANALYSIS OF CHANGES IN NET FUNDS				
	At	Cash	At	
	1.11.98	Flows	31.10.99	
	£	£	£	
Cash at bank and in hand	238,560	204,840	443,400	

STEPHEN HOLT & COMPANY LIMITED

Notes to the Financial Statements for the year ended 31 October 1999

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

(a) **Accounting convention**

The financial statements are prepared under the historical cost convention.

(b) **Revenue**

Revenue represents commissions received in respect of investment services and amounts receivable in respect of management services. Revenue includes commissions received on transactions in life policies and pension contracts.

Indemnity commission income is included in revenue when it is received.

(c) **Depreciation**

Depreciation is calculated to write-off the cost or revalued amount less estimated residual value of fixed assets on a straight line or reducing balance basis over their estimated useful lives.

(d) **Deferred taxation**

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

(e) **Foreign currencies**

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date.

Differences arising on the translation of such items are dealt with in the profit and loss account.

(f) **Investments**

Investments held as current assets are stated at the lower of cost and net realisable value.

(g) **Pension costs**

Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

STEPHEN HOLT & COMPANY LIMITED

Notes to the Financial Statements for the year ended 31 October 1999

2 REVENUE

The revenue, profit before tax and net assets are attributable to the principal activity of providing life and pensions advice and investment management. The company operates in the UK and the whole of its revenue is from the UK market.

3 INDEMNITY COMMISSION INCOME

No indemnity commission was repaid (1998 – nil) to suppliers in respect of policies which lapsed during the year.

4 TOTAL EXPENDITURE

	1999 £	1998 £
Shared commission paid:		
Attributable directly to commissions received	32,576	15,318
Salaries and other employment costs	121,636	96,577
Directors' emoluments	195,833	176,727
Staff bonuses	7,983	2,200
Audit fees	4,000	3,750
Other professional charges	9,849	9,131
Regulatory fees and expenses	5,327	4,627
Other expenditure:		
a) Establishment costs	18,050	14,974
b) Communications and marketing	11,429	11,538
c) Office equipment and services	14,531	8,094
d) Depreciation	13,941	11,870
e) Other office expenses	18,206	15,266
f) Bad and doubtful debts	-	-
g) Professional indemnity insurance	4,576	4,368
h) Other expenses – provision for indemnity commission	-	-
Exceptional items – exchange loss	82	-
TOTAL EXPENDITURE	<u>458,019</u>	<u>374,440</u>

STEPHEN HOLT & COMPANY LIMITED

Notes to the Financial Statements for the year ended 31 October 1999

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1999 £	1998 £
The profit on ordinary activities before taxation is stated after charging:		
Profit on sale of assets	(272)	-
Staff costs (note 6)	325,452	275,504
Depreciation of owned tangible fixed assets	13,941	11,870
Auditors' remuneration – audit fee	<u>4,000</u>	<u>3,750</u>

6 STAFF COSTS

Wages and salaries	289,349	196,545
Social security costs	29,377	21,265
Other pension costs	6,726	57,694
	<u>325,452</u>	<u>275,504</u>

Average number of persons, including executive directors, employed by the company during the year:

	Number	Number
Management	4	4
Administration	<u>7</u>	<u>7</u>
	<u>11</u>	<u>11</u>

7 DIRECTORS

Remuneration		
Emoluments	193,833	157,121
Contributions to money purchase schemes	2,000	53,560
	<u>195,833</u>	<u>210,681</u>

During the period the following number of directors accrued benefits under money purchase pension schemes

<u>1</u>	<u>2</u>
----------	----------

STEPHEN HOLT & COMPANY LIMITED

Notes to the Financial Statements for the year ended 31 October 1999

8 TAXATION

Based on the profit for the year:

Corporation tax at 20.4% (1998 – 21%)	24,677
Overprovision in respect of previous year	(1,976)
	<u>22,701</u>

9 TANGIBLE FIXED ASSETS

	Office Equipment £	Computer Equipment £	Improvement to Property £	Motor Vehicles £	Total £
COST					
At 1 November 1998	15,975	43,221	500	58,695	118,391
Additions	10,192	11,499	-	14,820	36,511
Disposals	-	(19,065)	(500)	(11,860)	(31,425)
	<u>26,167</u>	<u>35,655</u>	<u>-</u>	<u>61,655</u>	<u>123,477</u>
ACCUMULATED DEPRECIATION					
At 1 November 1998	10,967	41,649	418	29,260	82,294
Charge for the year	2,107	4,295	-	7,539	13,941
Disposals	-	(18,940)	(418)	(7,039)	(26,397)
	<u>13,074</u>	<u>27,004</u>	<u>-</u>	<u>29,760</u>	<u>69,838</u>
NET BOOK VALUE					
At 31 October 1999	<u>13,093</u>	<u>8,651</u>	<u>-</u>	<u>31,895</u>	<u>53,639</u>
At 31 October 1998	<u>5,008</u>	<u>1,572</u>	<u>82</u>	<u>29,435</u>	<u>36,097</u>
Depreciation rates	15% Reducing Balance	33% Straight Line	15% Reducing Balance	25% Reducing Balance	

STEPHEN HOLT & COMPANY LIMITED

Notes to the Financial Statements for the year ended 31 October 1999

10 DEBTORS

	1999 £	1998 £
DUE WITHIN ONE YEAR		
Trade debtors	9,016	30,398
Prepayments and accrued income	12,035	11,630
	<u>21,051</u>	<u>42,028</u>

11 CASH AT BANK AND IN HAND

Building Society tax reserve account	14,258	13,761
Other cash at bank and in hand	429,142	224,799
	<u>443,400</u>	<u>238,560</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	8,755	2,578
Corporation tax	24,677	-
Other taxation and social security costs	29,090	12,005
Directors' loan accounts	80	80
Accruals and deferred income	60,803	15,289
	<u>123,405</u>	<u>29,952</u>

13 CLIENT BANK ACCOUNTS

Amounts held on behalf of clients in client bank accounts amounted to £1,499,029 (1998 £1,136,519) and have been excluded from the balance sheet.

14 DISCRETIONARY PORTFOLIO MANAGEMENT

The value of client's assets of which the company acts as discretionary portfolio manager and which are in the company's possession or held to the company's order was £7,141,609. This amount is excluded from the company's balance sheet.

STEPHEN HOLT & COMPANY LIMITED

Notes to the Financial Statements for the year ended 31 October 1999

15 SHARE CAPITAL

	Authorised		Allotted, Issued and Fully Paid	
	1999 £	1998 £	1999 £	1998 £
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

16 RESERVES

	Share Premium Account £	Profit and Loss Account £	Total £
At 1 November 1998	20,904	215,829	236,733
Retained profit for the year	-	107,952	107,952
	<hr/>	<hr/>	<hr/>
At 31 October 1999	<u>20,904</u>	<u>323,781</u>	<u>344,685</u>

Of the total reserves £20,904 is not available for distribution.

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit for the financial year	107,952	2,421
Opening shareholders' funds	286,733	284,312
	<hr/>	<hr/>
	<u>394,685</u>	<u>286,733</u>

18 PENSION COMMITMENTS

The company operated a defined contribution pension scheme, the assets of which have now been transferred to a personal pension scheme. The pension cost charge includes contributions payable by the company to the fund and amounted to £Nil (1998 - £51,000). The company also paid contributions of £2,000 (1998 - £2,560) towards employees' own personal pension funds.

STEPHEN HOLT & COMPANY LIMITED

Notes to the Financial Statements for the year ended 31 October 1999

19 OTHER FINANCIAL COMMITMENTS

At 31 October 1999 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2000.

	Land and Buildings	
	1999	1998
	£	£
Operating leases which expire:		
Within one year	-	7,000
After five years	<u>19,145</u>	<u>-</u>

20 CONTINGENT LIABILITIES

At 31 October 1999 there were no contingent liabilities.

STEPHEN HOLT & COMPANY LIMITED

**SCHEDULE OF SHARED COMMISSIONS, OVERHEADS AND DEPRECIATION
FOR THE YEAR ENDED 31 OCTOBER 1999**

	1999	1998
	£	£
SHARED COMMISSIONS	32,576	15,318
OVERHEADS		
Directors' remuneration	193,833	123,167
Directors' pension costs	2,000	53,560
Salaries and wages	124,893	94,643
Staff pension costs	<u>4,726</u>	<u>4,134</u>
	325,452	275,504
Bank charges	20	18
Audit and accountancy fees	7,200	9,450
Legal and professional charges	6,649	3,431
Regulatory fees and expenses	5,327	4,627
Computer software and maintenance	<u>12,075</u>	<u>8,094</u>
	31,271	25,620
Heat and light	1,602	1,455
Rent and rates	<u>16,448</u>	<u>11,440</u>
	18,050	12,895
Postage, stationery and advertising	7,546	8,397
Telephone	3,883	3,141
Motor and travel expenses	6,648	5,156
Repairs and renewals	2,436	2,078
Sundry expenses	2,640	1,667
Publications and subscriptions	1,522	1,654
Insurances	7,396	6,772
Professional indemnity insurances	4,576	4,368
Provision for indemnity commission	-	-
Exchange loss	<u>82</u>	<u>-</u>
	36,729	33,233
	<u>444,078</u>	<u>362,570</u>
DEPRECIATION		
Office equipment	1,559	838
Motor vehicles	7,539	9,180
Computer equipment	4,295	1,836
Improvement to property	548	16
	<u>13,941</u>	<u>11,870</u>
TOTAL EXPENDITURE	<u>458,019</u>	<u>374,440</u>

STEPHEN HOLT & COMPANY LIMITED

**STATEMENT OF FINANCIAL RESOURCES
FOR THE YEAR ENDED 31 OCTOBER 1999**

FORM CI TEST 1

	£
Paid up share capital (excluding preference shares)	50,000
Share premium account	20,904
Audited reserves (excluding revaluation reserves)	323,781
Non-cumulative preference shares	<u>-</u>
INITIAL CAPITAL	<u>394,685</u>
Investment in own shares	-
Intangible assets	-
Material current year losses	-
Material holding credit and financial institutions	<u>-</u>
ORIGINAL OWN FUNDS	<u>394,685</u>
Revaluation reserves	-
Fixed term cumulative preference shares	-
Long term subordinated loans	-
Other cumulative preference share capital and debt capital	<u>-</u>
OWN FUNDS	394,685
OWN FUNDS REQUIREMENT	
125,000 ECU	
Converted to sterling at 1.5612	<u>(80,067)</u>
OWN FUNDS SURPLUS	<u>314,618</u>

FORM 13D TEST 1A

ADJUSTED NET CURRENT ASSETS (Rule 13.4)

NET CURRENT ASSETS	341,046
ADJUSTMENTS	
1 Long term assets (Rule 13.4(1)(a))	-
2 Connected persons (Rule 13.4(1)(b))	-
3 Investments (Rule 13.4(1)(c))	-
4 Other (Rule 13.4(2))	<u>-</u>
ADJUSTED NET CURRENT ASSETS	341,046
Less: Requirement	<u>1</u>
SURPLUS	<u>341,045</u>

STEPHEN HOLT & COMPANY LIMITED

**STATEMENT OF FINANCIAL RESOURCES
FOR THE YEAR ENDED 31 OCTOBER 1999**

FORM 13Ei TEST 2

	£	£
FINANCIAL RESOURCES (from Form 13F)		336,924
FINANCIAL RESOURCES REQUIREMENT		
Total expenditure	458,019	
Less: staff bonuses	(7,983)	
employees' and directors' share in profits	-	
interest charges	-	
shared commissions	(32,576)	
foreign exchange losses	-	
	<u>417,460</u>	
Multiplied by 13/52 (substitute £400 multiplied by the number of investment staff if higher)		(104,365)
FINANCIAL RESOURCES SURPLUS		<u>232,559</u>

STEPHEN HOLT & COMPANY LIMITED

STATEMENT OF FINANCIAL RESOURCES
FOR THE YEAR ENDED 31 OCTOBER 1999

FORM 13F TEST 2

	Balance Sheet £	Adjustment Table £	Position Risk £	Other Special Adjustment £	Illiquid Asset £	Admissible Amount £
ASSETS						
FIXED ASSETS						
Intangible assets	-	(13)				-
Tangible assets						
- land and buildings	-	(1)				-
- tangible assets	53,639	(13)				-
Investments	-	(2)(3)				-
CURRENT ASSETS						
Physical stocks	-	(13)				-
Debtors						
- unsettled securities						
transactions	-	(4)(5)				-
- regulated collective						
investment scheme	-	(6)				-
- group debtors	-	(7)				-
- trade debtors	9,016	(8)		721	-	8,295
- prepayments	12,035	(9)		751	2,650	8,634
- accrued income	-	(10)				
- deposits	-	(11)				
- government bodies	-	(12)				
- other debtors	-	(13)				
Investments	-	(2)(3)				
Cash at bank and in						
hand	<u>443,400</u>	(11a)				443,400
TOTAL ASSETS	<u>518,090</u>					
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR						
Liabilities secured on						
property	-	(14)				-
Investments (Short						
positions)	-	(17)				-
Taxation (corp)	(24,677)	(19)				(24,677)
Unsettled securities						
transactions	-	(20)(21)				-
Other current						
liabilities	<u>(98,728)</u>	(26)				(98,728)
TOTAL CURRENT						
LIABILITIES	<u>(123,405)</u>					
Carried forward	(123,405)			1,472	2,650	336,924

STEPHEN HOLT & COMPANY LIMITED

**STATEMENT OF FINANCIAL RESOURCES
FOR THE YEAR ENDED 31 OCTOBER 1999**

FORM 13F TEST 2

	Balance Sheet £	Adjustment Table £	Position Risk £	Other Special Adjustment £	Illiquid Asset £	Admissible Amount £
Brought forward	(123,405)	-	-	1,472	2,650	336,924

CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Liabilities secured on
property
Eligible subordinated
loans
Taxation
Liabilities not due
within three years
Other liabilities

PROVISION FOR LIABILITIES AND CHARGES

Other provisions

**TOTAL
LIABILITIES** (123,405)

**TOTAL ASSETS
LESS TOTAL
LIABILITIES** 394,685

Carried forward	-	-	1,472	2,650	336,924
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STEPHEN HOLT & COMPANY LIMITED

**STATEMENT OF FINANCIAL RESOURCES
FOR THE YEAR ENDED 31 OCTOBER 1999**

FORM 13F TEST 2

	Balance Sheet £	Adjustment Table £	Position Risk £	Other Special Adjustment £	Illiquid Asset £	Admissible Amount £
Brought forward	-	-	-	1,472	2,650	336,924

CAPITAL AND RESERVES

Called up share capital	50,000
Partner's or proprietor's capital and current account	-
Other reserves	344,685

**SHAREHOLDERS'
FUNDS** 394,685

OTHER ADJUSTMENTS

Deficiencies in subsidiaries	
Contingent liabilities	(23)
Redeemable preference shares	(24)
Foreign currency risk	(25)

FINANCIAL RESOURCES

336,924

Form 13Ei

TOTALS	<u> </u> -(A)	<u>1,472</u> (B)
TOTAL SPECIAL ADJUSTMENT (A+B)		<u>1,472</u>

STEPHEN HOLT & COMPANY LIMITED

**STATEMENT OF FINANCIAL RESOURCES
FOR THE YEAR ENDED 31 OCTOBER 1999**

FORM CAD 13

£

Financial resources from latest audited Form 13F (Statement of
Financial Resources) (from page 19)

336,924

Less: material changes

Current year losses to-date

Share capital or proprietor's/partners' capital
introduced/withdrawn since date of last audited figures;
subordinated loans introduced/repaid

-

Relevant Annual Expenditure Requirements from Form 13E
(Financial Resources Test 2) (from page 19)

(104,365)

Financial Resources Surplus

232,559

STATEMENT OF LARGE EXPOSURES – FORM 13I

Own funds level (from form Ci Test1) (from page 18)

314,618

Reportable level (10% of own funds)

31,462

No debts exceed 10% of own funds

Cash balances held with approved banks

443,400

- exempt amount

(443,400)

AUDITORS' REPORT TO THE PERSONAL INVESTMENT AUTHORITY ("PIA") IN RESPECT OF STEPHEN HOLT & COMPANY LIMITED

We report on the annual financial statements of Stephen Holt & Company Limited on pages 6 to 23 and on the further matters set out below. Our report is provided to PIA in its capacity as a regulator under the Financial Services Act 1986.

We have audited the annual financial statements in accordance with Auditing Standards, and have carried out such other procedures as we considered necessary for the purposes of this report having regard to the Practice Note "Investment Businesses". We have obtained all the information and explanations which we consider necessary.

Financial Statements

In our opinion

- a) the annual financial statements give a true and fair view of the company's state of affairs at 31 October 1999 and of its profit for the year then ended and have been properly prepared in accordance with PIA's Rules; and
- b) the balance sheet and profit and loss account are in agreement with the company's accounting records and returns.

Financial Resources

In our opinion

- a) the statement of financial resources on pages 18 to 23 has been prepared in accordance with PIA's Rules to show the actual financial resources and the requirement for the financial resources as at 31 October 1999 and
- b) the company had as at 31 October 1999 financial resources of at least the minimum required at that date to comply with its financial resources requirement.

Accounting Records

In our opinion the company has, throughout the year, kept proper accounting records in accordance with PIA's Rules.

**AUDITORS' REPORT TO THE PERSONAL INVESTMENT AUTHORITY ("PIA")
IN RESPECT OF STEPHEN HOLT & COMPANY LIMITED**

(Continued ...)

Client Assets

In our opinion

- a) the company maintained throughout the year systems adequate to enable it to comply with the Client Money Regulations and PIA's Rules concerning client money and other assets;
- b) reconciliations of client money and other assets have been carried out as required by the rules and in respect of the reconciliations as at 31 October 1999 there were no outstanding unexplained differences which require adjustment; and
- c) the company was in accordance with the rules relating to client money at 31 May 1999, 31 August 1999 and 31 October 1999.

**MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors**

Mazars House
Gelder Road
Gildersome
LEEDS
West Yorkshire
LS27 7JN

Dated:

STEPHEN HOLT & COMPANY LIMITED**FIVE YEAR TRADING SUMMARY**

	1999 £	1998 £	1997 £	1996 £	1995 £
REVENUE					
Collective investment schemes	61,731	57,716	61,476	77,813	36,409
Life assurance policies					
- initial commission	274,828	129,758	195,925	155,008	151,264
- renewal commission	43,287	36,081	33,166	32,428	30,671
Investment management fees	188,041	110,369	113,116	121,648	76,611
Other income	20,785	42,937	27,599	23,546	13,114
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUE	<u>588,672</u>	<u>376,861</u>	<u>431,282</u>	<u>410,443</u>	<u>308,069</u>
EXPENDITURE					
Shared commissions	32,576	15,318	12,764	18,508	10,274
Salaries	121,636	96,577	92,976	85,108	75,631
Directors' emoluments	195,833	176,727	172,618	155,313	106,440
Staff bonuses	7,983	2,200	12,616	11,873	10,571
Other professional charges	9,849	9,131	6,553	8,724	4,150
Regulatory fees	5,327	4,627	7,553	7,936	7,117
Establishment costs	18,050	14,974	13,172	15,752	15,044
Communication and marketing	11,429	11,538	7,758	16,285	11,540
Office equipment and services	14,531	8,094	7,789	8,807	7,661
Other expenditure	40,805	35,254	32,467	29,194	26,840
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURE	<u>458,019</u>	<u>374,440</u>	<u>366,266</u>	<u>357,500</u>	<u>275,268</u>
PROFIT BEFORE TAXATION	130,653	2,421	65,016	52,943	32,801
TAXATION	(22,701)	-	(13,752)	(12,297)	(8,392)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
PROFIT FOR THE YEAR	<u>107,952</u>	<u>2,421</u>	<u>51,264</u>	<u>40,646</u>	<u>24,409</u>
SHAREHOLDERS' FUNDS	<u>394,685</u>	<u>286,733</u>	<u>284,312</u>	<u>233,048</u>	<u>192,402</u>