

**ARGENT INSURANCE PRACTICE LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 30TH APRIL 1999**

**Company No. 2810267**



# **ARGENT INSURANCE PRACTICE LIMITED**

## **COMPANY INFORMATION**

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### **Directors**

Mr M P Whitfield  
Mr R Dean  
Mr N Walton  
Mr D Crick  
Mr C S Whitfield

### **Secretary**

Mrs A Whitfield

### **Company Number**

2810267

### **Registered Office**

6 High Street  
Stone  
Staffs  
ST15 8AW

### **Auditors**

J S Williamson & Co  
Gladstone House  
505 Etruria Road  
Basford  
Stoke-onTrent  
ST4 6JH

### **Solicitors**

K J Martin & Co  
217 Station Road  
Balsall Common  
Coventry  
CV7 7FE

### **Bankers**

Barclays Bank plc  
Festival Park  
Festival Way  
Stoke on Trent  
Staffs  
ST1 5TN

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# **ARGENT INSURANCE PRACTICE LIMITED**

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# ARGENT INSURANCE PRACTICE LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH APRIL 1999

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The directors present their report together with the audited accounts for the year ended 30th April 1999.

### Principal Activities and Review of Business

The company's principal activity continued to be that of insurance broking. During the year the company traded profitably and the directors are confident that it will continue to do so in the future.

### Results

The results for the year are set out in the profit and loss account on page 4.

The directors consider the profit achieved on ordinary activities before taxation to be £241,833.

The directors consider the state of the company's affairs to be satisfactory.

### Dividends

The directors recommend dividends amounting to £36,650 (1998 £29,300).

### Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary Shares		7% Preference Shares	
	30th April 1999	1st May 1998	30th April 1999	1st May 1998
Mr M P Whitfield	227,538	227,538	200,000	200,000
Mr R Dean	100,000	100,000	-	-
Mr N Walton	16,338	16,338	-	-
Mr D Crick	16,338	16,338	-	-
Mr C S Whitfield	23,219	23,219	-	-

### Events Since the End of the Year

There were no post balance sheet events.

### Political and Charitable Contributions

The company made no political or charitable contributions during the year.

# **ARGENT INSURANCE PRACTICE LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30TH APRIL 1999**

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### **Year 2000 Compliance**

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own year 2000 issues.

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

### **Directors' Responsibilities**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

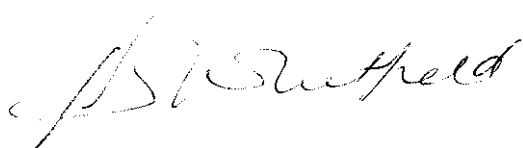
Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

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 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.

This report was approved by the board on 21st October 1999, and signed on its behalf.



Mrs A Whitfield, Secretary  
21st October 1999

# **AUDITORS' REPORT TO THE SHAREHOLDERS OF ARGENT INSURANCE PRACTICE LIMITED**

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We have audited the accounts on pages 4 to 14 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

## **Respective Responsibilities of Directors and Auditors**

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and 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 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 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 the information in the accounts.

## **Opinion**

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



**J S Williamson & Co**  
**Chartered Accountants and Registered Auditors**

**Gladstone House**  
**505 Etruria Road**  
**Basford**  
**Stoke-on-Trent**  
**ST4 6JH**

**Date: 21st October 1999**

# ARGENT INSURANCE PRACTICE LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH APRIL 1999

	Notes	1999 £	1998 £
<b>Turnover</b>	2	5,353,521	4,914,227
Cost of Sales		4,346,082	3,968,536
<b>Gross Profit</b>		1,007,439	945,691
Administrative Expenses		959,153	900,432
		48,286	45,259
Other operating income		123,104	118,347
<b>Operating Profit</b>	3	171,390	163,606
Interest Receivable		71,733	64,047
Interest Payable and Similar Charges	4	(1,290)	(1,152)
<b>Profit on Ordinary Activities before Taxation</b>		241,833	226,501
Tax on profit on ordinary activities	8	51,365	49,323
<b>Profit for the Financial Year</b>		190,468	177,178
Dividends (ordinary and preference)	9	36,650	29,300
<b>Retained Profit for the Year</b>	17	153,818	147,878
<b>Retained Profit Brought Forward</b>		366,769	218,891
<b>Retained Profit Carried Forward</b>		520,587	366,769

All amounts relate to continuing activities.

There were no recognised gains or losses for 1999 or 1998 other than those included in the profit and loss account.

# ARGENT INSURANCE PRACTICE LIMITED

## BALANCE SHEET

AS AT 30TH APRIL 1999

	Notes	£	1999 £	£	1998 £
<b>Fixed Assets</b>					
Intangible assets	10		473,621		453,621
Tangible assets	11		41,873		29,393
Investments	12		50,045		50,045
			<u>565,539</u>		<u>533,059</u>
<b>Current Assets</b>					
Debtors	14	485,374		344,579	
Cash at bank and in hand		1,427,854		1,163,919	
		<u>1,913,228</u>		<u>1,508,498</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>	15	<u>1,144,793</u>		<u>861,401</u>	
<b>Net Current Assets</b>			768,435		647,097
<b>Total Assets Less Current Liabilities</b>			<u>1,333,974</u>		<u>1,180,156</u>
<b>Capital and Reserves</b>					
Share capital - equity	16		483,433		483,433
Share capital - non equity	16		200,000		200,000
Revaluation reserve	17		129,954		129,954
Profit and loss account	17		520,587		366,769
<b>Shareholders' Funds</b>					
Equity		1,133,974		980,156	
Non-equity		<u>200,000</u>		<u>200,000</u>	
	18		<u>1,333,974</u>		<u>1,180,156</u>

These accounts were approved by the board on 21st October 1999 and signed on its behalf.

Mr M P Whitfield  
Director

Mr R Dean  
Director



# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 1999

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### 1 Accounting Policies

#### Basis of Accounting

The Accounts have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

#### Turnover

All commissions earned in the year have been incorporated into the accounts. Commission is taken when the client pays the premium either in full or by way of a deposit.

#### Depreciation

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Motor vehicles	25%
Furniture and equipment	25%
Fixtures and fittings	20%

#### Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

#### Goodwill

Purchased goodwill is no longer amortised - in the directors' opinion the net realisable value is in excess of the net book value.

#### Contribution to Pension Funds

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### Leased Assets

All leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.

# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 1999

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### *Insurance broking debtors and creditors*

Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities. This recognises that the insurance broker is entitled to retain the investment income on any cash flows arising from these transactions.

Debtors and creditors arising from a transaction between client and insurer (e.g. a premium) are recorded simultaneously. Consequently there is a high level of correlation between the totals reported in respect of insurance broking debtors and insurance broking creditors.

The legal status of the practice of net settlement is uncertain and in the event of an insolvency is generally abandoned. Financial Reporting Standard No 5 "Reporting the substance of transactions" requires that offset of assets and liabilities should be recognised in financial statements where, and only where, the offset would survive the insolvency of the other party.

### *Indemnity commission lapse provision*

Provision against lapses in indemnity commission is made at the rate of 2.5% of all life business, together with provision against specific lapses.

## 2 Turnover

The geographical analysis of turnover is as follows:

	1999	1998
	£	£
UK	5,353,521	4,914,227

## 3 Operating Profit

*The operating profit is arrived at after charging or crediting:*

	1999	1998
	£	£
Depreciation of owned assets	17,445	18,069
Loss on disposal of fixed assets	49	151
Hire of equipment - operating leases	5,857	7,794
Hire of equipment - operating leases - land and buildings	66,605	62,364
Directors' remuneration	155,610	142,322
Auditors' remuneration - non audit work	3,012	11,550
Auditors' remuneration	10,500	10,500
Rental income	(3,000)	(3,000)

## 4 Interest Payable and Similar Charges

	1999	1998
	£	£
Bank overdrafts and loans	1,290	1,152

# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 1999

### 5 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	1999	1998
	£	£
Wages and salaries	483,279	432,198
Social security costs	42,141	36,578
Other pension costs	9,238	21,300
Other costs	2,593	2,299
	<u>537,251</u>	<u>492,375</u>

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

	1999	1998
	Number	Number
Administration	34	32
Management	5	5
	<u>39</u>	<u>37</u>

Directors' emoluments

	1999	1998
	£	£
Emoluments	155,610	142,322
Directors' pension contributions under defined contribution schemes	9,238	21,300
	<u>164,848</u>	<u>163,622</u>

### 6 Pension Scheme

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £9,238 (1998 £21,300).

### 7 Transactions with Directors

During the year the company leased a property situated at 30, Burton Street, Melton Mowbray, Leicester. This property is owned by Mrs A. Whitfield who is the wife of Mr M P Whitfield, a director. The rent paid was £7,000 which represents a commercial rent.

Also during the year, the company purchased a motor vehicle from Mrs A Whitfield, for £12,000 and sold a company vehicle to her for £6,000, both of which represented a commercial value.

# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 1999

### 8 Taxation

	1999 £	1998 £
Based on the profit for the year		
UK corporation tax at 21% and 20% (1998 21%)	51,100	49,000
	<u>51,100</u>	<u>49,000</u>
Prior periods		
UK corporation tax	265	323
	<u>51,365</u>	<u>49,323</u>

### 9 Dividends

	1999 £	1998 £
Ordinary dividends - paid	22,650	15,300
	<u>22,650</u>	<u>15,300</u>
Preference dividends - paid	7,000	7,000
Preference dividends - proposed	7,000	7,000
	<u>36,650</u>	<u>29,300</u>

### 10 Intangible Fixed Assets

	Goodwill	Total
<b>Cost</b>	£	£
At 1st May 1998	536,954	536,954
Additions	20,000	20,000
<b>At 30th April 1999</b>	<u>556,954</u>	<u>556,954</u>
<b>Amortisation</b>		
At 1st May 1998	83,333	83,333
<b>At 30th April 1999</b>	<u>83,333</u>	<u>83,333</u>
<b>Net Book Values</b>		
At 30th April 1999	<u>473,621</u>	<u>473,621</u>
<i>At 30th April 1998</i>	<u>453,621</u>	<u>453,621</u>

# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 1999

### 11 Tangible Fixed Assets

	Motor Vehicles	Furniture and Equipment	Fixtures and Fittings	Total
<b>Cost or valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1st May 1998	11,472	56,702	6,456	74,630
Additions	17,699	18,422	1,784	37,905
Disposals	(11,472)	(430)	-	(11,902)
<b>At 30th April 1999</b>	<b>17,699</b>	<b>74,694</b>	<b>8,240</b>	<b>100,633</b>
<b>Depreciation</b>				
At 1st May 1998	3,923	39,186	2,129	45,238
Charge for the year	4,424	11,373	1,648	17,445
Disposals	(3,923)	-	-	(3,923)
<b>At 30th April 1999</b>	<b>4,424</b>	<b>50,559</b>	<b>3,777</b>	<b>58,760</b>
<b>Net Book Value</b>				
<b>At 30th April 1999</b>	<b>13,275</b>	<b>24,135</b>	<b>4,463</b>	<b>41,873</b>
<i>At 30th April 1998</i>	<i>7,549</i>	<i>17,516</i>	<i>4,327</i>	<i>29,392</i>

### 12 Fixed Assets Investments

	Shares in Group Undertakings	Total
<b>Cost</b>	<b>£</b>	<b>£</b>
At 1st May 1998	50,045	50,045
<b>At 30th April 1999</b>	<b>50,045</b>	<b>50,045</b>
<b>Net Book Value</b>		
<b>At 30th April 1999</b>	<b>50,045</b>	<b>50,045</b>
<i>At 30th April 1998</i>	<i>50,045</i>	<i>50,045</i>

Investments are included at cost.

# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 1999

### 13 Subsidiary Undertakings

Name of company	Country of registration (or incorporation and operation)	Holding	Proportion of voting rights and shares held	Nature of business
Argent Financial Services Limited	England	1000 Ordinary Shares	100%	Dormant
Paddock Underwriting Agencies Limited	England	1000 Ordinary Shares	100%	Dormant

The aggregate amount of capital and reserves as disclosed in the above companys' most recent accounts is as follows:-Argent Financial Services Limited - £44,044, Paddock Underwriting Agencies Limited - £5,501. During the year the investment in Athena Insurance Services has been sold, exchanging the 500 £1 shares in consideration for 60,000 £1 loan notes at the original cost of £500. Argent Insurance Practice Limited no longer has any voting rights in Athena Insurance Services. Argent Insurance Practice Limited is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985.

### 14 Debtors

	1999 £	1998 £
Trade debtors	454,475	329,489
Other debtors	9,162	1,750
Prepayments and accrued income	21,737	13,340
	<u>485,374</u>	<u>344,579</u>

All amounts included above are due within one year.

### 15 Creditors: Amounts Falling Due Within One Year

	1999 £	1998 £
Trade creditors	1,001,095	691,568
Amounts owed to group undertakings	49,545	49,545
Corporation tax	51,100	43,667
Other taxes and social security	13,383	12,131
Proposed dividends	7,000	7,000
Accruals and deferred income	22,670	57,490
	<u>1,144,793</u>	<u>861,401</u>

Proposed dividends included above relate to the six month period to 31st March 1999.

# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 1999

16	Share Capital	1999 £	1998 £
	<b>Authorised Equity Shares</b>		
	483,433 Ordinary shares of £1.00 each	483,433	483,433
		<u>483,433</u>	<u>483,433</u>
	<b>Non Equity Shares</b>		
	200,000 7% Preference shares of £1.00 each	200,000	200,000
		<u>200,000</u>	<u>200,000</u>
		<u>683,433</u>	<u>683,433</u>
	<b>Allotted Equity Shares</b>		
	483,433 Allotted, called up and fully paid ordinary shares of £1.00 each	483,433	483,433
	<b>Non Equity Shares</b>		
	200,000 7% Preference shares of £1.00 each	200,000	200,000
		<u>200,000</u>	<u>200,000</u>
		<u>683,433</u>	<u>683,433</u>

The terms of redemption the 7% redeemable preference shares are :-

a) Mr and Mrs M.P. Whitfield will have the right to redeem some or all of the preference shares for the time being issued and outstanding at any time between 1st July 1995 and 31st December 1999 upon giving the company thirty days notice.

b) The company will have the right to redeem some or all of the preference shares for the time being issued and outstanding at any time between 31st December 1999 and 31st December 2005 upon giving the preference shareholders thirty days notice.

## 17 Reserves

	Revaluation Reserve	Profit and Loss Account
	£	£
At 1st May 1997	129,954	218,891
Profit for the year	-	147,878
	<u>129,954</u>	<u>366,769</u>
At 1st May 1998	129,954	366,769
Profit for the year	-	153,818
	<u>129,954</u>	<u>520,587</u>

# ARGENT INSURANCE PRACTICE LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 1999

### 18 Reconciliation of Shareholders' Funds

	1999	1998
	£	£
Profit for the financial year	190,468	177,178
Dividends	(36,650)	(29,300)
Increase in the shareholders' funds	153,818	147,878
Opening shareholders' funds	1,180,156	1,032,278
Closing shareholders' funds	1,333,974	1,180,156

### 19 Operating Lease Commitments

At 30 April 1999 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	1999	1998	1999	1998
	£	£	£	£
Operating leases which expire:				
Within one year	10,500	10,500	-	7,809
Between two and five years	18,511	17,511	-	-
After five years	35,350	35,350	-	-
	64,361	63,361	-	7,809



# **ARGENT INSURANCE PRACTICE LIMITED**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30TH APRIL 1999**

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### **20 Related Parties**

The related parties of the company are its directors.

In the directors' opinion the company is ultimately controlled by Mr M.P. Whitfield.

Group companies are related parties of the company - Argent Financial Services Limited, and Paddock Underwriting Agencies Limited, both of which were dormant throughout the year.

Athena Insurance Services is no longer a subsidiary of Argent Insurance Practice Limited but, as noted above, Argent Insurance Practice Limited own 60,000 £1 loan notes in Athena Insurance Services. No business has been transacted between these companies during the year. (1998 - £6,057) There were no amounts outstanding at 30th April 1999, (1998 - £nil).

Clubsure Direct Limited t/a Brokersure is under the control of M.P. Whitfield and R. Dean who own 67.75% of Argent Insurance Practice Limited, therefore Clubsure Direct Limited is a related party of the company. In previous years, some monies in respect of Clubsure Direct Limited were banked in the Argent Insurance Practice Limited broking bank account and were then paid over to Clubsure Direct Limited. There have been no material transactions during the current year, (1998 - £45,299) and at the end of the year the amount due to Clubsure Direct Limited was £nil (1998 - £nil). Also in previous years Argent Insurance Practice Limited paid premiums to insurers on behalf of Clubsure Direct Limited. There have been no material transactions during the year, (1998 - £1,979). At the end of the year the amount due from Clubsure Direct Limited was £nil (1998 - £nil). Clubsure Direct Limited have previously made payments to insurers on behalf of Argent Insurance Practice Limited. There have been no material transactions during the year. (1998 - £709). The directors have amended the administration systems and do not expect there to be any transactions, of this nature, with Clubsure Direct Limited in future.

Argent Insurance Practice Limited provide management services to Clubsure Direct Limited. The amount charged during the year was £17,000 (1998 - £15,000). Argent Insurance Practice Limited and Clubsure Direct Limited occupy the same building, Argent Insurance Practice Limited recharged heat and light to Clubsure Direct Limited amounting to £6,000 (1998 - £6,000). Salaries recharged to Clubsure Direct Limited amounted to £100 (1998 - £890). There were no amounts outstanding in respect of any of the above.

### **21 Contingent Liabilities**

Whilst the business was registered to sell investment products, the company has, so far, been requested to review the cases of only four clients to whom pensions have been sold. As yet, liability, if any, has not been determined for any losses that may have been incurred by these clients.

The directors consider that the company has ample funds to meet any potential compensation claims, falling outside the scope of their insurance, in the event that they should arise in this respect.