



**RMA (HOLDINGS) LIMITED**

**FINANCIAL STATEMENTS AND REPORTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2000**

**Company Number 2890236**



## **RMA (HOLDINGS) LIMITED**

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**RMA (HOLDINGS) LIMITED**

**REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31ST DECEMBER, 2000**

The directors present their report and the audited financial statements of the company and group for the year ended 31st December, 2000.

**Principal Activity**

The principal activity of the group remains that of life, pensions and general insurance broking.

**Review of the Business**

Details of the results for the year are set out in the attached statements and reports.

The directors consider the state of affairs of the company and group to be satisfactory.

**Dividends**

Preference dividends of £3,625 (1999-£10,500) have been paid during the year and ordinary dividends of £70,007 (1999-£71,325) are proposed, leaving a retained profit of £88,025 (1999 - £57,815) to be taken to reserves.

**Directors and their Interests**

The following are the persons who have served as directors during the year together with their interests in the company:

	<b>£1 Ordinary Shares</b>	
	<b>2000</b>	<b>1999</b>
R.S. Johnson (Chairman)	7,098	7,098
C.S. Beaumont	7,098	7,098
I.G. Logan	7,098	7,098
J.W. Marshall	7,098	7,098
J.D. Mutch	7,098	7,098

None of the directors had any interest in the share capital of other group companies.

**Auditors**

A resolution to re-appoint Messrs. Dutton Moore as auditors will be put to the members at the Annual General Meeting in accordance with Section 384 of the Companies Act 1985.

BY ORDER OF THE BOARD



R.N. GILLINGWATER  
COMPANY SECRETARY

HULL  
19<sup>th</sup> JULY, 2001

**AUDITORS' REPORT TO THE SHAREHOLDERS' OF  
RMA (HOLDINGS) LIMITED**

We have audited the financial statements on pages 4 to 20, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of the directors and auditors**

As described on page 3 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.

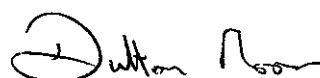
**Basis of Opinion**

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 and the group's affairs as at 31st December, 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DUTTON MOORE

CHARTERED ACCOUNTANTS

AND REGISTERED AUDITORS

HULL  
20<sup>th</sup> JULY, 2001

## **RMA (HOLDINGS) 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:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) 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 of fraud and other irregularities.

**RMA (HOLDINGS) LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2000**

	Notes	2000	1999
<b>Turnover</b>	2	2,227,952	2,287,962
Administrative Expenses		(2,059,694)	(2,110,574)
		<hr/>	<hr/>
Operating Profit	3	168,258	177,388
Interest Receivable and Similar Income	4a	43,983	37,461
Interest Payable and Similar Charges	4b	(12,557)	(14,293)
		<hr/>	<hr/>
Profit on Ordinary Activities, before Taxation		199,684	200,556
Tax on Profit on Ordinary Activities	5	(38,027)	(60,916)
		<hr/>	<hr/>
Profit on Ordinary Activities, after Taxation		161,657	139,640
Dividends	6	(73,632)	(81,825)
		<hr/>	<hr/>
Retained Profit for the Financial Year		88,025	57,815
Retained Profits, brought forward		140,176	152,361
		<hr/>	<hr/>
		228,201	210,176
Transfer to Capital Redemption Reserve		(70,000)	(70,000)
		<hr/>	<hr/>
Retained Profits, carried forward		£158,201	£140,176
		<hr/>	<hr/>

All of the activities undertaken by the company during 2000 and 1999 are continuing activities.

The company has no recognised gains or losses for 2000 and 1999 other than those included in the profit and loss account, therefore no separate statement of total recognised gains and losses is required.

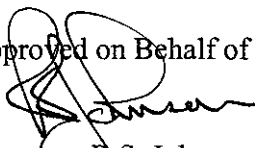
In accordance with the exemption allowed under S.230 of the Companies Act 1985, as amended, the company's profit and loss account is not separately presented.

# RMA (HOLDINGS) LIMITED

## BALANCE SHEET AS AT 31ST DECEMBER, 2000

	Notes	Group 2000	Group 1999	Company 2000	Company 1999
<b>FIXED ASSETS</b>					
Intangible Assets	7	682,470	733,092	-	-
Tangible Assets	8	242,711	256,533	-	-
Investments	9	6,730	4,220	1,298,438	1,301,438
		<u>£931,911</u>	<u>£993,845</u>	<u>£1,298,438</u>	<u>£1,301,438</u>
<b>CURRENT ASSETS</b>					
Debtors	10	996,345	990,756	23,775	20,775
Cash at Bank and in Hand		665,749	622,809	-	-
		<u>1,662,094</u>	<u>1,613,565</u>	<u>23,775</u>	<u>20,775</u>
<b>CREDITORS: amounts falling due within one year</b>	11a	(1,966,285)	(1,900,103)	(941,513)	(941,513)
Net Current Liabilities		<u>£(304,191)</u>	<u>£(286,538)</u>	<u>£(917,738)</u>	<u>£(920,738)</u>
Total Assets less Current Liabilities		627,720	707,307	380,700	380,700
<b>CREDITORS: amounts falling due after more than one year</b>	11b	(88,819)	(74,431)	-	-
Provisions for Liabilities and Charges	14	-	(112,000)	-	-
		<u>£538,901</u>	<u>£520,876</u>	<u>£380,700</u>	<u>£380,700</u>
<b>CAPITAL AND RESERVES</b>					
Called Up Share Capital	16	50,700	120,700	50,700	120,700
Capital Redemption Reserve		330,000	260,000	330,000	260,000
Profit and Loss Account		158,201	140,176	-	-
Shareholders' Funds	17	<u>£538,901</u>	<u>£520,876</u>	<u>£380,700</u>	<u>£380,700</u>

Approved on Behalf of the Board

  
 R.S. Johnson  
 Director

Dated: 19<sup>th</sup> July, 2001

The notes on pages 6 to 20 form part of these accounts.

**RMA (HOLDINGS) LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER, 2000**

	<b>Note</b>	<b>2000</b>	<b>1999</b>
Net Cash Inflow from Operating Activities	20(a)	257,922	274,389
Return on Investments and Servicing of Finance	20(b)	27,926	16,168
Taxation	20(e)	(64,012)	(10,877)
Capital Expenditure and Financial Investment	20(c)	16,434	145,443
Equity Dividends Paid		(74,950)	(80,485)
Financing	20(d)	(120,380)	(242,149)
Increase in Cash in the Year	20(f)	<u>£ 42,940</u>	<u>£102,489</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

Increase in Cash in the Year	42,940	102,489
Cash Outflow from Decrease in Debt and Hire Purchase Financing Agreement	50,380	172,149
Change in Net Debt resulting from Cash Flow Hire Purchase Agreements	93,320 (62,465)	274,638 (114,032)
Movement in Net Debt in Year	30,855	160,606
Net Funds at 1 <sup>st</sup> January, 2000	499,614	339,008
<b>Net Funds at 31<sup>st</sup> December, 2000</b>	20(f) <u>£530,469</u>	<u>£499,614</u>



# RMA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 2000

1. **Principal Accounting Policies:**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Basis of Accounting**

- a) **Accounts** have been prepared under the historical cost convention.
- b) **Turnover** represents brokerage and commissions receivable by the company during the year. Credit is taken for general brokerage when the debit note is raised. Life and pensions commission is recognised at the onset of the policy.

Provision is made to recognise potential clawbacks in respect of policies written on indemnity terms and policies due for renewal in the following financial year.

- c) **Goodwill** arising from the acquisition of insurance broking businesses is treated as an intangible fixed asset and amortised over 20 years.
- d) **Fixed Assets** are included at cost. Depreciation is provided at rates calculated to write off all tangible fixed assets over their estimated useful lives. The rates applied are as follows:

Fixtures and Fittings	10% on cost
Motor Vehicles	25% reducing balance
Computer Equipment	25% on cost

- e) **Deferred Taxation**  
Provision for deferred tax liability is only made when there is reasonable probability that a liability will crystallise in the foreseeable future.
- f) **Hire Purchase Agreements**  
Assets obtained under hire purchase agreements are capitalised in the balance sheet and are depreciated over their useful lives. The interest element is charged to the profit and loss account over the period of the agreement.
- g) **Loan Finance**  
Loans are stated net of the costs of raising loan finance. These costs are amortised on a straight line basis over the period of the loans, the charge being made at each repayment date.
- h) **Pensions**  
The company operated a pension scheme providing benefits based on final pensionable pay until 30<sup>th</sup> June, 2000. On 1<sup>st</sup> July, 2000 eligible employees commenced membership of a new defined contribution scheme.

Contributions to the scheme are charged to the accounts in the year they fall due.

# RMA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### 2. Turnover

Turnover as defined in note 1(b) and pre-tax profit are attributable to the principal activity as detailed in the Directors' Report.

### 3. Operating Profit

2000

1999

#### a) This is stated after charging:

Depreciation	£57,343	£67,867
Amortisation	£50,622	£56,784
Auditors' Remuneration	£12,500	£12,500
Directors' Remuneration (see below)	£434,466	£418,323
Operating Leases	£77,450	£81,850
Pension Review Provision (Note 15)	£107,655	£50,273

#### b) Directors' Emoluments

Salaries	305,436	297,874
Fees	25,000	30,000
Benefits in Kind	38,053	31,525
Employer's National Insurance	41,542	35,199
Pension Scheme Contributions	24,435	23,725
	<u>£434,466</u>	<u>£418,323</u>

Five directors (1999 - five) had retirement benefits accruing under defined benefit pension schemes until 30<sup>th</sup> June, 2000, whereafter benefits accrued under money purchase pension schemes.

The highest paid director received emoluments of £86,396 (1999 - £79,848).

#### c) Staff Costs

Wages and Salaries	713,239	769,390
Employer's NIC	65,149	68,195
	<u>£778,388</u>	<u>£837,585</u>

The average number of people employed during the year, excluding directors was:

	2000 No.	1999 No.
Insurance Broking	49	50
Administration	10	11
	<u>59</u>	<u>61</u>

# RMA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

4. Interest Receivable and Payable	2000	1999
a) Interest Receivable		
Bank Interest	£43,983	£37,461
	<u>          </u>	<u>          </u>
b) Interest Payable		
Bank Interest	5,817	5,767
Hire Purchase Interest	6,740	8,526
	<u>          </u>	<u>          </u>
	£12,557	£14,293
	<u>          </u>	<u>          </u>
5. Tax on Profit on Ordinary Activities		
This is made up as follows:		
Corporation Tax on adjusted profits for the year at 20% (1999-20.25%)	23,826	56,207
Adjustments for earlier years Corporation Tax	14,201	4,709
	<u>          </u>	<u>          </u>
	£38,027	£60,916
	<u>          </u>	<u>          </u>
6. Dividends		
Paid-Non Equity Shares	3,625	10,500
Ordinary-Paid @ £1.32 per share (1999-£1.35 per share)	46,723	47,912
'A' Ordinary-Paid @ £1.53 per share (1999-£1.54 per share)	23,284	23,413
	<u>          </u>	<u>          </u>
	£73,632	£81,825
	<u>          </u>	<u>          </u>

**RMA (HOLDINGS) LIMITED**

**NOTES TO THE ACCOUNTS (CONTINUED)**

<b>7. Intangible Fixed Assets</b>	<b>Goodwill</b>
<b>Cost</b>	
At 31st December 2000	<u>£1,012,429</u>
<b>Amortisation</b>	
At 1 <sup>st</sup> January, 2000	279,337
Charge for the Year	<u>50,622</u>
At 31 <sup>st</sup> December, 2000	<u>£329,959</u>
<b>Net Book Value</b>	
At 31 <sup>st</sup> December, 2000	<u>£682,470</u>
At 31 <sup>st</sup> December, 1999	<u>£733,092</u>

# RMA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### 8. Tangible Fixed Assets

	Office Furniture and Equipment	Motor Vehicles	Total
<b>Cost</b>			
At 1 <sup>st</sup> January, 2000	220,716	239,400	460,116
Additions during the Year	5,456	62,465	67,921
Disposals at Cost	-	(67,638)	(67,638)
	<hr/>	<hr/>	<hr/>
As at 31 <sup>st</sup> December, 2000	£226,172	£234,227	£460,399
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 <sup>st</sup> January, 2000	125,865	77,718	203,583
Added this Year	9,778	41,431	51,209
Eliminated in respect of disposals	-	(37,104)	(37,104)
	<hr/>	<hr/>	<hr/>
As at 31 <sup>st</sup> December, 2000	£135,643	£82,045	£217,688
	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>			
At 31 <sup>st</sup> December, 2000	£90,529	£152,182	£242,711
	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> December, 1999	£94,851	£161,682	£256,533
	<hr/>	<hr/>	<hr/>

Included in the total net book value of motor vehicles is £148,114 (1999 - £161,682) and of computer equipment is £36,860 (1999 - £40,955) in respect of assets acquired under hire purchase agreements. Depreciation charged on such assets is £34,356 (1999 - £39,719) and £4,095 (1999 - £2,555) respectively.

# RMA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### 9 Investments

			Group	Company
	Listed on recognised Stock Exchange	Other Investments	Total	Shares in Subsidiary Undertakings
Cost				
At 31 <sup>st</sup> December, 1999	1,035	3,185	4,220	1,301,438
Additions during the Year	-	2,510	2,510	-
Disposals during the Year	-	-	-	(3,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> December, 2000	£1,035	£5,695	£6,730	£1,298,438

During the year, the company invested in the Broker Alliance Limited, a company registered in England, number 3329855 at a cost of £2,010.

The group has also paid £500 in respect of a refundable cash float with the Independent Financial Alliance Limited.

The market value of listed investments at 31<sup>st</sup> December, 2000 was £4,576 (1999 - £12,104).

Subsidiary Undertakings	Country of Registration and Incorporation	Nature of Business	Holding of Ordinary Shares
Penmarch Limited	England	Holding of Investment	100%
Rockpride Limited	England	Non trading	100%
J. Rixon Matthews & Appleyard Limited	England	Insurance Broking	100%
P.M. Elliott & Company Limited	England	Non-trading	100%

Rockpride Limited and J. Rixon Matthews & Appleyard Limited are held by a subsidiary undertaking.

During the financial year the entire shareholding of J. Rixon Matthews & Appleyard Limited was transferred at £3,000 to Penmarch Limited.

Penmarch Limited made a profit for the year of £143,632 (1999-£151,825) and at the year end had capital and reserves of £2,141,878 (1999-£2,141,878).

Rockpride Limited made a profit for the year of £Nil (1999-£Nil) and at the year end had capital and reserves of £10,000 (1999-£10,000).

J. Rixon Matthews & Appleyard Limited made a profit for the year after taxation of £209,279 (1999-£162,012) and at the year end had capital and reserves of £714,107 (1999-£648,460).

P.M. Elliot & Co. Limited did not trade during the year. At the year end it had capital and reserves of £(25,250) (1999-£(25,250)).

# RMA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### 10. Debtors

	Group		Company	
	2000	1999	2000	1999
Trade Debtors	929,641	896,738	-	-
Amounts due from Group Undertakings	-	-	23,775	20,775
Prepayments and Accrued Income	66,704	46,556	-	-
Other Debtors	-	47,462	-	-
	<u>£996,345</u>	<u>£990,756</u>	<u>£23,775</u>	<u>£20,775</u>

### 11a. Creditors: amounts falling due within one year

Trade Creditors	1,680,216	1,565,538	-	-
Amounts due to Subsidiary Undertaking	-	-	847,916	843,138
Corporation Tax	23,826	49,811	-	-
Other Creditors (Note 14)	30,590	38,550	23,590	23,550
Other Taxes	44,551	36,367	-	-
Dividends	70,007	74,825	70,007	74,825
Accruals and Deferred Income	70,634	86,248	-	-
Hire Purchase Agreements (Note 13)	37,523	45,994	-	-
Other Loans (Note 12)	8,938	2,770	-	-
	<u>£1,966,285</u>	<u>£1,900,103</u>	<u>£941,513</u>	<u>£941,513</u>

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

	Group		Company	
	2000	1999	2000	1999
Hire Purchase Agreements (Note 13)	52,091	61,462	-	-
Other Loans (Note 12)	36,728	12,969	-	-
	<u>£88,819</u>	<u>£74,431</u>	<u>£ -</u>	<u>£ -</u>

# RMA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### 12. Other Loans

	2000		1999	
	Group	Company	Group	Company
<b>Amounts payable:</b>				
Within one year	8,938	-	2,770	-
Within one to two years	8,938	-	2,770	-
Within three to five years	26,813	-	8,312	-
Over five years	977	-	1,887	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£45,666	£ -	£15,739	£ -
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Shown as:</b>				
Current Obligations	8,938	-	2,770	-
Non-Current Obligations	36,728	-	12,969	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£45,666	£ -	£15,739	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

In the previous year, the group entered into an agreement with the Royal Bank of Scotland plc to provide a loan of up to £250,000 under the scheme operated with PASS Loans Limited company number 3530780 to meet compensation payments following the review of certain customers pensions.

The repayments, standing at £745 at the year end, are over 96 monthly instalments and interest is charged quarterly at 2% per annum above the Bank's Base Rate subject to a minimum rate of 6% per annum.

### 13. Obligations under Hire Purchase Agreements

The maturity of these amounts is as follows:

	2000		1999	
	Group	Company	Group	Company
<b>Amounts payable:</b>				
Within One Year	49,125	-	54,980	-
Within Two to Five Years	63,693	-	70,448	-
	<hr/>	<hr/>	<hr/>	<hr/>
	112,818	-	125,428	-
<b>Less Interest charges allocated to Future periods</b>	(23,204)	-	(17,972)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£89,614	£ -	£107,456	£ -
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Shown as:</b>				
Current Obligations	37,523	-	45,994	-
Non-Current Obligations	52,091	-	61,462	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£89,614	£ -	£107,456	£ -
	<hr/>	<hr/>	<hr/>	<hr/>



# RMA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### 14. Provisions for Liabilities and Charges

Provision was made in previous financial periods for the potential cost of investigation and compensation arising from the group's review of pensions sold, as required by the Securities and Investment Board's report "Pension Transfers and Opt-outs, Review of Past Business". The provision was based on the group's review, to date, of all pensions sold and represents the best estimate of the potential compensation based on industry average payments, plus associated costs.

### 15. Deferred Taxation

	<-----2000----->		<-----1999----->	
	Full Potential Liabilities	Provision Made	Full Potential Liabilities	Provision Made
Accelerated Capital Allowances	8,571	8,571	7,241	7,241
Other Timing Differences	(33,600)	(8,571)	(33,600)	(7,241)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	£(25,029)	£ -	£(26,359)	£ -
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The full potential liability and provision made are calculated at a rate of 20% (1999-20%).

# RMA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

<b>16. Called Up Share Capital</b>	<b>2000</b>	<b>1999</b>
Authorised, Allotted, Called Up and Fully Paid:		
Equity Shares		
Ordinary Shares of £1 each	35,490	35,490
'A' Ordinary Shares of £1 each	15,210	15,210
	<hr/>	<hr/>
	50,700	50,700
Non-Equity Shares		
Redeemable Preference Shares of £1 each	-	70,000
	<hr/>	<hr/>
	£50,700	£120,700
	<hr/>	<hr/>

The company redeemed 70,000 preference shares of £1 each at par during the year.

The rights to the equity and non equity shares are as follows:

### Dividend

Cumulative Preferential	'Participating' dividend being 8% of net profit and 'Additional' dividend should directors' emoluments exceed pre-set limits.	'Preference' dividend being 10p per share net per annum.
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Ordinary	'Initial' dividend per share being equal to the 'Participating' dividend paid per share.
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<b>Voting</b>	One vote per share	One vote per share	No voting rights
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### Capital

Winding up priority	Third	Second	First
Receivable upon winding-up	£4.86 per share plus any accrued dividend and the balance remaining shared pari passu.	£4.54 per share plus any accrued dividend and the balance remaining shared pari passu.	£1 per share plus any accrued dividend.

The 'A' ordinary shares carry the right to be converted at any time into ordinary shares on a one to one basis.

# RMA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### 17. Reconciliation of Movements in Shareholders' Funds

	Group		Company	
	2000	1999	2000	1999
Opening Shareholders' Funds	520,876	533,061	380,700	380,700
Profit on Ordinary Activities, after Taxation	161,657	139,640	143,632	151,825
Dividends	(73,632)	(81,825)	(73,632)	(81,825)
Redemption of Preference Shares	(70,000)	(70,000)	(70,000)	(70,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Closing Shareholders' Funds	£538,901	£520,876	£380,700	£380,700
	<hr/>	<hr/>	<hr/>	<hr/>
Equity Interests	538,901	450,876	380,700	310,700
Non-Equity Interests	-	70,000	-	70,000
	<hr/>	<hr/>	<hr/>	<hr/>
	£538,901	£520,876	£380,700	£380,700
	<hr/>	<hr/>	<hr/>	<hr/>

### 18. Contingent Liabilities and Commitments

The company's borrowings are guaranteed by its subsidiary undertakings.

The company has undertaken to provide financial support to J. Rixon Matthews & Appleyard Limited, a subsidiary undertaking, so as to enable that company to meet its liabilities as they fall due.

At 31<sup>st</sup> December, 2000 the group had commitments to make the following payments in the year to 31<sup>st</sup> December, 2001 in respect of non-cancellable operating leases.

	<-----2000----->		<-----1999----->	
	Land and Buildings	Other	Land and Buildings	Other
Expiring between one and five years	£35,450	£42,000	£39,850	£42,000
	<hr/>	<hr/>	<hr/>	<hr/>

Neither the group nor the company had any contracted capital commitments at 31<sup>st</sup> December, 2000 (1999-£Nil).

# RMA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### 19. Pensions

The group operated a pension scheme providing benefits on final pensionable pay up to 30<sup>th</sup> June, 2000. On 1<sup>st</sup> July, 2000 eligible employees commenced membership of a new defined contribution scheme. The pension charge for the period was £106,268 (1999 - £102,511).

### 20. Notes to the Cash Flow Statement

	2000	1999
<b>(a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities</b>		
Operating Profit	168,258	177,388
Depreciation	51,209	63,612
Amortisation of Goodwill	50,622	56,784
Loss on Sale of Fixed Assets	6,134	4,255
(Increase)/Decrease in Debtors	(5,589)	52,559
Decrease in Creditors	(12,712)	(86,139)
Loss on Sale of Business	-	5,930
	<hr/>	<hr/>
<b>Net Cash Inflow from Operating Activities</b>	<b>£257,922</b>	<b>£274,389</b>
	<hr/>	<hr/>
<b>(b) Returns of Investments and Servicing of Finance</b>		
Interest Receivable	43,983	37,461
Interest Payable	(5,817)	(5,767)
Dividends Paid-Non Equity	(3,500)	(7,000)
Interest Element of Hire Purchase Agreement Payments	(6,740)	(8,526)
	<hr/>	<hr/>
	<b>£27,926</b>	<b>£16,168</b>
	<hr/>	<hr/>

# RMA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### 20. Notes to the Cash Flow Statement (Continued)

	2000	1999	
<b>(c) Capital Expenditure and Financial Investment</b>			
Purchase of Investment	(2,510)	-	
Purchase of Tangible Fixed Assets	(5,456)	(7,540)	
Proceeds from Sales of Tangible Fixed Assets	24,400	31,983	
Sale of Business	-	121,000	
	<hr/>	<hr/>	
	£16,434	£145,443	
	<hr/>	<hr/>	
<b>(d) Financing</b>			
Repayment of Secured Loan	-	(100,000)	
Redemption of Preference Share Capital	(70,000)	(70,000)	
Capital Element of Hire Purchase Agreement Payments	(80,307)	(87,888)	
Other Loan - Capital Advance	34,502	16,864	
- Repayments	(4,575)	(1,125)	
	<hr/>	<hr/>	
	£(120,380)	£(242,149)	
	<hr/>	<hr/>	
<b>(e) Taxation</b>			
Corporation Tax Paid	(64,012)	(48,093)	
Corporation Tax Received	-	45,405	
ACT Paid	-	(8,189)	
	<hr/>	<hr/>	
	£(64,012)	£(10,877)	
	<hr/>	<hr/>	
<b>(f) Analysis of Net Funds</b>			
		<b>Other Non-Cash Changes</b>	
	<b>1999</b>	<b>Cashflows</b>	<b>2000</b>
Cash at Bank and in Hand	622,809	42,940	-
Debts falling due after more than one year	(12,969)	-	(23,759)
Debts falling due in less than one year	(2,770)	4,575	(10,743)
Hire Purchase Agreements	(107,456)	80,307	(62,465)
	<hr/>	<hr/>	<hr/>
<b>Total</b>	£499,614	£127,822	£(96,967)
			£530,469

## **RMA (HOLDINGS) LIMITED**

### **NOTES TO THE ACCOUNTS (CONTINUED)**

#### **21. Related Party Transactions**

The company has taken advantage of the exemption provided by Financial Reporting Standard No.8 "Related Party Transactions" not to disclose transactions with members of the group.

#### **Major Non-Cash Transactions**

During the year the company entered into hire purchase arrangements in respect of assets with a capital value at the inception of the agreements of £62,465.