

Company Registration No. 05576754

**AGM (Insurance Brokers) Limited**

**Report and Financial Statements**

**Period 1 December 2007 to 31 August 2008**



# **AGM (INSURANCE BROKERS) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2008**

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# **AGM (INSURANCE BROKERS) LIMITED**

## **DIRECTORS AND ADVISORS**

### **DIRECTORS**

C M Giles  
H McIntyre

### **COMPANY SECRETARY**

A G Hessett

### **REGISTERED OFFICE**

Birchin Court  
3d Floor  
20 Birchin Lane  
London  
EC3V 9DU

### **BANKERS**

Bank of Scotland plc  
Bishopsgate Exchange  
155 Bishopsgate  
London  
EC2M 3YB

### **AUDITORS**

PricewaterhouseCoopers LLP  
141 Bothwell Street  
Glasgow  
G2 7EQ

### **SOLICITORS**

Dickson Minto  
Royal London House  
22 – 25 Finsbury Square  
London  
EC2A 1DX

**AGM (INSURANCE BROKERS) LIMITED**  
**COMPANY REGISTRATION NUMBER: 05576754**

**DIRECTORS' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2008**

The directors present their annual report and the audited financial statements of the company for the period 1 December 2007 to 31 August 2008.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company in the year under review was that of insurance brokers.

On 25 July 2008 the company was purchased by Giles Insurance Brokers Limited which acquired all of the issued share capital of the company. The accounting period has been shortened to bring the financial year end into line with that of the new group.

The ultimate holding company at the end of the financial period is DMWSL 585 Limited into which the results of the company are consolidated.

**MAINTENANCE OF ACCOUNTING BOOKS AND RECORDS**

During the year the company was acquired by Giles Insurance Brokers Limited. Giles Insurance Brokers Limited experienced difficulties in obtaining sufficient evidence to support the transactions and balances included in the accounting books and records for the period prior to acquisition. As a consequence, the auditors have disclaimed an opinion on the financial statements and stated that, in their opinion, the company has not kept proper accounting records. Further details are provided in Note 1 to the financial statements.

**RESULTS AND DIVIDENDS**

The results for the period and the company's financial position at the end of the period are shown in the profit and loss account and balance sheet on pages 7 and 8 respectively.

Particulars of dividends paid are detailed in note 8 to the financial statements.

On acquisition by Giles Insurance Brokers Limited the directors considered it appropriate to fully impair the value of goodwill. The exceptional cost charged to the profit and loss account was £269,000.

In the view of the directors the main key performance indicator for the business is the level of turnover. This has decreased from £630,000 in the year to 30 November 2007 to £474,000 in the 9 month period to 31 August 2008.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Credit Risk**

The credit risk relating to the recoverability of the intercompany debtor is negated by the group ensuring that it receives cash in respect of premiums from clients before paying these premiums to insurers.

**Liquidity Risk**

The directors manage and monitor the financing of the companies on a group basis to mitigate the liquidity risks.

**Going Concern**

The directors have prepared the financial statements on the basis that the company is a going concern.

On 10 November 2008, the company sold its trade, assets and liabilities to a fellow group subsidiary and ceased trading. The company has not traded since and has no plans to become active in the future.

## **AGM (INSURANCE BROKERS) LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2008**

#### **DIRECTORS**

The directors who served the company during the year and subsequently are as follows:

C M Giles	(appointed 25 July 2008)
M E Goodfield	(resigned 25 July 2008)
H McIntyre	(appointed 25 July 2008)
M A Rees	(resigned 25 July 2008)
B M Moore	(resigned 25 July 2008)

The company is a wholly owned subsidiary and the interests of the directors are disclosed in the financial statements of the ultimate parent company.

#### **AUDITORS**

The directors at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

PricewaterhouseCoopers LLP were appointed as auditors of the company during the year and have expressed their willingness to continue in office as auditors. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors

and signed by their order



A G Hessett

Company Secretary

18 December 2009

## **AGM (INSURANCE BROKERS) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

18 December 2009

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGM (INSURANCE BROKERS) LIMITED**

We have audited the financial statements of AGM (Insurance Brokers) Limited for the period ended 31 August 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and all of the other information listed on the Directors and Advisors page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGM (INSURANCE BROKERS) LIMITED (CONTINUED)**

### **Opinion: disclaimer on view given by financial statements**

As explained in note 1 to the financial statements, the company was purchased by Giles Insurance Brokers Limited during the period, giving rise to circumstances which have resulted in the directors being unable to obtain sufficient evidence to support the transactions and certain balances recorded in the accounting books and records at the time of acquisition. This has also had an impact on the availability of evidence to support transactions and certain balances between the date of acquisition and 31 August 2008. As a result, we were not provided with the information and explanations required to allow us to perform the audit procedures we considered necessary to obtain sufficient appropriate audit evidence on the Profit and Loss Account and related disclosure notes, Bank and Cash, Trade Debtors and Trade Creditors.

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 August 2008 and of the loss for the period then ended, and whether the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- in our opinion, proper accounting records have not been kept.

Notwithstanding our disclaimer on the view given by the financial statements, in our opinion, the information given in the Directors' Report is consistent with the financial statements.



**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Registered Auditors**  
**Glasgow**  
**18 December 2009**



# AGM (INSURANCE BROKERS) LIMITED

## PROFIT AND LOSS ACCOUNT

Period ended 31 August 2008

	Note	9 month Period to 31 August 2008 £'000	12 month period to 30 November 2007 £'000
<b>TURNOVER</b>	2	474	630
Administrative expenses		(342)	(393)
<b>OPERATING PROFIT</b>		132	237
Exceptional loss on impairment of goodwill	6	(269)	-
Exceptional loss on disposal of tangible fixed assets	6	(38)	-
<b>(LOSS)/PROFIT BEFORE INTEREST AND TAXATION</b>		(175)	237
Interest receivable and similar income		4	5
Interest payable and similar charges		-	(2)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(171)	240
Tax on profit on ordinary activities	7	-	(48)
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	16	(171)	192

All of the activities of the company are classed as continuing.

There are no recognised gains and losses for the current or preceding financial period other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been presented.

# AGM (INSURANCE BROKERS) LIMITED

## BALANCE SHEET As at 31 August 2008

	Note	31 August 2008		30 November 2007	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	9	-		334	
Tangible assets	10	-		5	
			-		339
<b>CURRENT ASSETS</b>					
Debtors	11	158		45	
Cash at bank and in hand		211		45	
		369		90	
<b>CREDITORS: amounts falling due within one year</b>	12	293		62	
<b>NET CURRENT ASSETS</b>			76		28
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			76		367
<b>CREDITORS: amounts falling due after one year</b>	13		-		30
<b>NET ASSETS</b>			76		337
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		30		30
Profit and loss account	16		46		307
<b>TOTAL SHAREHOLDERS' FUNDS</b>	17		76		337

These financial statements were approved by the Board of Directors on 18 December 2009.

Signed on behalf of the Board of Directors

*Hazel McIntyre*

H McIntyre  
Director

# **AGM (INSURANCE BROKERS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Period ended 31 August 2008**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### **Basis of preparation: maintenance of accounting books and records**

On the 25 July 2008 the company was purchased by Giles Insurance Brokers Limited which acquired all of the share capital of the company. Giles Insurance Brokers Limited failed to obtain sufficient accounting books and records for the company for the period prior to acquisition. For the post acquisition period the books and records for the company were maintained by the central financing function of Giles Insurance Brokers Limited. The finance records maintained by the central financing function are in line with the group procedures and allow for the provision of sufficient audit evidence.

Consequently, the directors have prepared the financial statements based on the available accounting books and records. The directors have not been able to provide the auditors with sufficient, appropriate audit evidence and explanations for the period prior to acquisition, to allow them to perform an audit in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

On this basis the auditors have disclaimed an opinion on the financial statements and stated that, in their opinion, the company has not kept proper accounting records.

The directors are aware it is their responsibility to keep proper accounting records as set out in the Statement of Directors Responsibilities on page 4. From the date of the acquisition the directors have ensured that proper accounts have been maintained for the company.

#### **Going concern**

The financial statements have been prepared under the going concern concept as discussed in the directors' report. On 10 November 2008, the company sold its trade, assets and liabilities to a fellow group subsidiary and ceased trading. The company has not traded since and has no plans to become active in the future.

#### **Turnover**

The turnover shown in the profit and loss account comprises commissions receivable.

#### **Exceptional items**

Exceptional items, as disclosed on the face of the Profit & Loss Account, are items which due to their material and non-recurring nature have been classified separately in order to draw them to the attention of the reader of the accounts and to show more accurately the underlying results of the company.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of the asset as follows:

Goodwill - 20% straight line

On 25 July 2008 the value of goodwill was fully impaired, see note 9.

#### **Tangible fixed assets**

Tangible fixed assets are recorded at cost less accumulated depreciation.

# AGM (INSURANCE BROKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period ended 31 August 2008

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 25% straight line

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the balance sheet date that will result in an obligation to pay more, or a right to pay less tax, in the future.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Cash flow statement

The directors have taken advantage of the exemption in FRS 1 "Cash Flow Statements (Revised 1996)" from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

The company derives all turnover from operations in the United Kingdom.

### 3. OPERATING PROFIT

	9 month Period to 31 August 2008 £'000	12 month period to 30 November 2007 £'000
Operating profit is stated after charging/(crediting):		
Depreciation of owned fixed assets	1	3
Amortisation	65	111
Directors emoluments and other benefits	-	18

The total remuneration payable, including VAT, to its auditors, PricewaterhouseCoopers LLP, in respect of the audit of these accounts is £2,875 (2007: £6,416), and in respect of the preparation of the tax computation is £1,150 (2007: £1,150). These costs have been borne and paid for by Giles Insurance Brokers Limited, a fellow subsidiary undertaking.

# AGM (INSURANCE BROKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period ended 31 August 2008

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	<b>9 month Period to 31 August 2008 £'000</b>	<b>12 month period to 30 November 2007 £'000</b>
Administrative staff	<u>8</u>	<u>8</u>

The aggregate payroll costs of the above were:

	<b>9 month Period to 31 August 2008 £'000</b>	<b>12 month period to 30 November 2007 £'000</b>
Wages and salaries	104	217
Social security costs	13	10
Pension costs	-	-
	<u>117</u>	<u>227</u>

### 5. DIRECTORS EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	<b>9 month Period to 31 August 2008 £'000</b>	<b>12 month period to 30 November 2007 £'000</b>
Emoluments paid (including benefits in kind)	<u>14</u>	<u>18</u>

### 6. EXCEPTIONAL ITEM

The exceptional items relate to costs incurred when the company was purchased by Giles Insurance Brokers Limited during the year. On acquisition the directors considered it appropriate to fully impair the value of goodwill. On acquisition all fixed assets were disposed of for nil consideration thus creating an exceptional loss.

# AGM (INSURANCE BROKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Period ended 31 August 2008

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

#### a) Analysis of charge in the year

	9 month Period to 31 August 2008 £'000	12 month period to 30 November 2007 £'000
<b>Current tax:</b>		
UK Corporation tax	-	48
Under/(over) provision b/fwd	-	-
Tax on profit on ordinary activities	-	48
Current tax:		

#### b) Factors affecting current tax (credit) / charge

The rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's loss for this accounting period is taxed at an effective rate of 28.89% and will be taxed at 29% (30 November 2007: 19%). The tax assessed on the profit on ordinary activities for the year differs from the rate of corporation tax applicable to the company of 29% for the following reasons:

	9 month Period to 31 August 2008 £'000	12 month period to 30 November 2007 £'000
(Loss) / profit on ordinary activities before taxation	(171)	240
(Loss) / Profit on ordinary activities by rate of tax	(49)	46
Capital allowances in excess of depreciation	(11)	1
Loss on disposal of fixed assets	11	
Expenses not deductible for tax purposes	13	1
Non-utilisation of losses due to exceptional items	36	-
Total current tax (note 7(a))	-	48

### 8. DIVIDENDS

	9 month Period to 31 August 2008 £'000	12 month period to 30 November 2007 £'000
Ordinary shares of £1 each	90	-

# AGM (INSURANCE BROKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period ended 31 August 2008

### 9. INTANGIBLE ASSETS

	<b>Goodwill £'000</b>
<b>COST</b>	
At 1 December 2007	557
Impairment on acquisition	(557)
	<hr/>
<b>At 31 August 2008</b>	<b>-</b>
	<hr/>
<b>AMORTISATION</b>	
At 1 October 2007	223
Charge for period	65
Impairment on acquisition	(288)
	<hr/>
<b>At 31 August 2008</b>	<b>-</b>
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 August 2008	-
	<hr/>
At 30 November 2007	334
	<hr/>

On acquisition by Giles Insurance Brokers Limited the directors considered it appropriate to fully impair the value of goodwill. The exceptional cost charged to the profit and loss account was £269,000.

### 10. TANGIBLE ASSETS

	<b>Fixtures &amp; Fittings £'000</b>
<b>COST</b>	
At 1 December 2007	10
Additions	34
Disposal on acquisition	(44)
	<hr/>
<b>At 31 August 2008</b>	<b>-</b>
	<hr/>
<b>DEPRECIATION</b>	
At 1 December 2007	5
Charge for period	1
Disposal on acquisition	(6)
	<hr/>
<b>At 31 August 2008</b>	<b>-</b>
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 August 2008	-
	<hr/>
At 30 November 2007	5
	<hr/>

# AGM (INSURANCE BROKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period ended 31 August 2008

### 11. DEBTORS

	31 August 2008 £'000	30 November 2007 £'000
Trade debtors	158	-
Other debtors	-	28
Directors current accounts	-	17
	<u>158</u>	<u>45</u>

### 12. CREDITORS: amounts falling due within one year

	31 August 2008 £'000	30 November 2007 £'000
Bank loans and overdrafts	-	5
Trade creditors	272	-
Taxation and social security	3	51
Other creditors	18	6
	<u>293</u>	<u>62</u>

### 13. CREDITORS: amounts falling due after one year

	31 August 2008 £'000	30 November 2007 £'000
Other creditors	-	30

Other creditors wholly comprise an amount due to the directors, which has been formally subordinated under Financial Services Act rules. The amounts due are interest free and unsecured.

### 14. COMMITMENTS UNDER OPERATING LEASES

	31 August 2008 £'000	30 November 2007 £'000
Operating leases which expire:		
Within 1 year	-	32
Within 2 - 5 years	-	1
	<u>-</u>	<u>33</u>



# AGM (INSURANCE BROKERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period ended 31 August 2008

### 15. CALLED UP SHARE CAPITAL

Authorised share capital:			31 August 2008 £'000	30 November 2007 £'000
1,000,000 Ordinary shares of £1 each			<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:				
	No. '000	2008 £'000	No. '000	2007 £'000
Ordinary shares of £1 each	30	30	30	30

### 16. PROFIT AND LOSS ACCOUNT

	31 August 2008 £'000	30 November 2007 £'000
Balance brought forward	307	115
(Loss)/profit for the period	(171)	192
Dividends	(90)	-
Balance carried forward	46	307

### 17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 August 2008 £'000	30 November 2007 £'000
(Loss)/Profit for the financial period	(171)	192
Dividends	(90)	-
Issue of share capital	-	30
Net (reduction)/addition to shareholders funds	(261)	222
Opening shareholders' funds	337	115
Closing shareholders' funds	76	337

### 18. PARENT COMPANY AND ULTIMATE HOLDING COMPANY

The company is a direct subsidiary of Giles Insurance Brokers Limited which in turn was a wholly owned subsidiary of DMWSL 585 Limited. A copy of the consolidated financial statements is available from DMWSL 585 Limited, Birchin Court, 3<sup>rd</sup> Floor, 20 Birchin Lane, London, EC3V 9DU.

## **AGM (INSURANCE BROKERS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Period ended 31 August 2008**

#### **19. RELATED PARTY TRANSACTIONS**

The company is a subsidiary of DMWSL 585 Limited. The company has taken advantage of the exemptions available to subsidiary undertakings in FRS 8 "Related Party Disclosures" not to report transactions with other group companies on the basis that consolidated financial statements are available for the ultimate parent company.

#### **20. POST BALANCE SHEET EVENTS**

On 10 November 2008 the company transferred its trade and assets to Giles Insurance Brokers Limited for a consideration of £136,761. This transaction represented the fair value of the assets and liabilities at that date.