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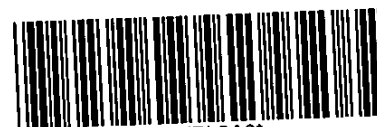
**ASTON SCOTT GROUP plc**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2012**

WEDNESDAY



A28 \*A1KPL3A3\* #188  
31/10/2012  
COMPANIES HOUSE

**Barnes Roffe LLP, Chartered Accountants**  
**16 - 17 Copperfields, Spital Street, Dartford, Kent, DA1 2DE**  
**SDF 18 October 2012**

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**ASTON SCOTT GROUP plc**

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**COMPANY INFORMATION**

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**DIRECTORS**

A G Scott  
G D P Scarborough  
C K Ford

**COMPANY SECRETARY**

S E Locke

**COMPANY NUMBER**

05639290

**REGISTERED OFFICE**

Malling House  
Town Hill  
West Malling  
Kent  
ME19 6QL

**AUDITOR**

Barnes Roffe LLP  
Chartered Accountants & Statutory Auditor  
16 -17 Copperfields  
Spital Street  
Dartford  
Kent  
DA1 2DE

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**ASTON SCOTT GROUP plc**

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## **ASTON SCOTT GROUP plc**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012**

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The directors present their report and the financial statements for the year ended 30 June 2012

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

The directors are responsible for preparing the directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The group's principal activities are risk management and insurance broking.

At the year end the group contained two trading subsidiaries, Aston Scott Ltd and ASG Risk Management Ltd.

Turnover amounted to £12,480,855 (2011 - £9,123,340), an increase of 36.8%. Profit before taxation amounted to £349,842 (2011 - £1,469,615) reflecting a variety of exceptional expenditure associated with various acquisitions. Those exceptional costs are unlikely to repeat themselves during the next financial year and the directors are pleased with this result.

#### **KEY PERFORMANCE INDICATORS**

The board uses a range of financial and non financial performance indicators, including net retained income / premium ratio, growth since previous financial year, client satisfaction surveys, performance versus budget, and regulatory compliance indicators.

#### **RESULTS**

The profit for the year, after taxation, amounted to £71,841 (2011 - £805,615).

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## **ASTON SCOTT GROUP plc**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012**

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#### **DIRECTORS**

The directors who served during the year were

A G Scott  
G D P Scarborough  
C K Ford

#### **CHARITABLE DONATIONS**

During the year the group made charitable donations of £5,574 (2011 £4,142)

#### **PRINCIPAL RISK AND UNCERTAINTIES**

The board conducts a formal review of the risks and uncertainties facing the business

The board recognises that as ultimate parent company of an insurance broker the business is sensitive to the following changes, which are to an extent outside of the group's direct control

- the insolvency of a major insurer,
- regulatory changes implemented by the Financial Services Authority,
- potential decisions from insurers to trade directly with clients, and,
- changes in commission rates receivable from insurers

#### **FINANCIAL RISK MANAGEMENT**

The directors regularly review the financial requirements of the group and the risks associated therewith

The group manages cash flow as part of its day to day control procedures and appropriate facilities are made available to draw upon as necessary

The group's policy in respect of credit risk is to require appropriate credit checks on potential clients. The group's policy in respect of liquidity risk is to maintain readily accessible bank deposits to ensure the group has sufficient funds for operations. The cash deposits are held in a mixture of short term deposits and current accounts which earn interest at a floating rate

#### **POLICY AND PRACTICE ON THE PAYMENT OF CREDITORS**

The group's policy for the year ended 30 June 2012 for all suppliers is to fix terms of payment when agreeing the terms of each business transaction, to ensure that the supplier is aware of those terms and to abide by the agreed terms of payment

The number of average days purchases of the group represented by trade creditors at 30 June 2012 was 38

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**ASTON SCOTT GROUP plc**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2012**

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**PROVISION OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information

This report was approved by the board on *X 18/10/12*

and signed on its behalf



*V*  
**S E Locke**  
Secretary

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## **ASTON SCOTT GROUP plc**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASTON SCOTT GROUP PLC**

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We have audited the financial statements of Aston Scott Group plc for the year ended 30 June 2012, set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



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**ASTON SCOTT GROUP plc**

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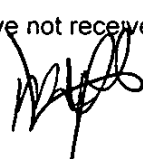
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASTON SCOTT GROUP PLC**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

  
Mario Ciantanni (senior statutory auditor)  
for and on behalf of

**Barnes Roffe LLP**  
Chartered Accountants  
Statutory Auditor  
16 -17 Copperfields  
Spital Street  
Dartford  
Kent  
DA1 2DE

Date 25 October 2012

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**ASTON SCOTT GROUP plc**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2012**

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	Note	2012 £	2011 £
<b>TURNOVER</b>	1,2	<b>12,480,884</b>	<b>9,123,340</b>
Administrative expenses		<b>(11,953,542)</b>	<b>(7,700,262)</b>
<b>OPERATING PROFIT</b>		<b>527,342</b>	<b>1,423,078</b>
Interest receivable and similar income		<b>87,765</b>	<b>62,163</b>
Interest payable and similar charges	6	<b>(265,266)</b>	<b>(15,626)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>349,841</b>	<b>1,469,615</b>
Tax on profit on ordinary activities	7	<b>(278,000)</b>	<b>(664,000)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	16	<b>71,841</b>	<b>805,615</b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 10 to 20 form part of these financial statements

**ASTON SCOTT GROUP plc**  
**REGISTERED NUMBER: 05639290**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2012**

	Note	£	2012	£	£	2011	£
<b>FIXED ASSETS</b>							
Intangible assets	8			12,038,846		5,054,900	
Tangible assets	9			759,382		93,613	
				<u>12,798,228</u>		<u>5,148,513</u>	
<b>CURRENT ASSETS</b>							
Debtors	11	1,913,045			914,308		
Cash at bank and in hand		<u>9,954,947</u>			<u>6,937,627</u>		
				11,867,992		7,851,935	
<b>CREDITORS</b> , amounts falling due within one year	12			<u>(9,507,944)</u>		<u>(5,473,584)</u>	
<b>NET CURRENT ASSETS</b>				<u>2,360,048</u>		<u>2,378,351</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				<u>15,158,276</u>		<u>7,526,864</u>	
<b>CREDITORS</b> : amounts falling due after more than one year	13			(5,803,566)		-	
<b>PROVISIONS FOR LIABILITIES</b>							
Other provisions	14			<u>(3,167,874)</u>		<u>(411,869)</u>	
<b>NET ASSETS</b>				<u>6,186,836</u>		<u>7,114,995</u>	
<b>CAPITAL AND RESERVES</b>							
Called up share capital	15			37,457		40,557	
Share premium account	16			1,488,961		1,488,961	
Consolidated reserve	16			1,443,693		1,841,781	
Capital redemption reserve	16			3,100		-	
Profit and loss account	16			<u>3,213,625</u>		<u>3,743,696</u>	
<b>SHAREHOLDERS' FUNDS</b>	17			<u>6,186,836</u>		<u>7,114,995</u>	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

✓ 18/10/12

✓ *Andrew Scott*

**A G Scott**  
Director

✓ *[Signature]*

**G D P Scarborough**  
Director

The notes on pages 10 to 20 form part of these financial statements

**ASTON SCOTT GROUP plc**  
**REGISTERED NUMBER: 05639290**

**COMPANY BALANCE SHEET**  
**AS AT 30 JUNE 2012**

	Note	2012 £	2011 £
<b>FIXED ASSETS</b>			
Investments	10	2,516,511	2,516,511
<b>CURRENT ASSETS</b>			
Cash at bank		33	63
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(941,508)</u>	<u>(541,508)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(941,475)</u>	<u>(541,445)</u>
<b>NET ASSETS</b>		<u><u>1,575,036</u></u>	<u><u>1,975,066</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	37,457	40,557
Share premium account	16	1,488,961	1,488,961
Other reserves	16	3,100	-
Profit and loss account	16	<u>45,518</u>	<u>445,548</u>
<b>SHAREHOLDERS' FUNDS</b>	17	<u><u>1,575,036</u></u>	<u><u>1,975,066</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18/10/12

x *Andrew Scott*  
**A G Scott**  
 Director

x *[Signature]*  
**G D P Scarborough**  
 Director

The notes on pages 10 to 20 form part of these financial statements

**ASTON SCOTT GROUP plc**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	18	5,060,212	3,063,607
Returns on investments and servicing of finance	19	(184,664)	44,781
Taxation		(658,415)	(531,777)
Capital expenditure and financial investment	19	(7,074,811)	(1,733,259)
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<b>(2,857,678)</b>	<b>843,352</b>
Financing	19	5,874,998	-
<b>INCREASE IN CASH IN THE YEAR</b>		<b>3,017,320</b>	<b>843,352</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 30 JUNE 2012**

	2012 £	2011 £
Increase in cash in the year	3,017,320	843,352
Cash inflow from increase in debt and lease financing	(6,874,998)	-
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(3,857,678)</b>	<b>843,352</b>
Net funds at 1 July 2011	6,937,627	6,094,275
<b>NET FUNDS AT 30 JUNE 2012</b>	<b>3,079,949</b>	<b>6,937,627</b>

The notes on pages 10 to 20 form part of these financial statements

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## ASTON SCOTT GROUP plc

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention as modified by the revaluation of goodwill and in accordance with applicable accounting standards

##### 1.2 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Aston Scott Group plc and all of its subsidiary undertakings ('subsidiaries')

##### 1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Turnover represents amounts receivable from fees and commission. Commission and fees are recognised on the issue of a debit note to a client for a policy where the inception or renewal date falls due within the accounting period

It is the normal practice for insurance brokers to settle accounts with other intermediaries, clients and insurers on a net basis. Thus large changes in both insurance broking debtors and creditors can result from comparatively small cash settlements. For this reason, the totals of insurance broking debtors and creditors give no indication of future cash flows

The legal status of this practice of net settlement is uncertain and in the event of an insolvency it is generally abandoned. Financial Reporting Standard No. 5, Reporting the Substance of Transactions, requires that offset of assets and liabilities should be recognised in the financial statements where and only where, the offset would survive the insolvency of either party to the transaction. Accordingly, only such offsets have been recognised in calculating insurance broking debtors and creditors

##### 1.4 INTANGIBLE FIXED ASSETS AND AMORTISATION

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life

##### 1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	Nil
Motor Vehicles	-	25% straight line
Fixtures & Fittings	-	20 - 33% straight line

The group has not provided for depreciation on land and buildings and has therefore not complied with Companies Act 2006 requirements. It is the group's policy to maintain its properties in a sound state of repair and, accordingly, the directors consider that the economic lives of the properties are so long and the residual value at such a level that depreciation would be inappropriate

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**ASTON SCOTT GROUP plc**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 INVESTMENTS**

Investments in subsidiaries are valued at cost less provision for impairment

**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

**1.8 PENSIONS**

Defined contribution stakeholder pension schemes are operated on behalf of the employees of the company. The assets are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to various pension funds outside of the stakeholder scheme amounting to £77,617 (2011 £10,750)

**1.9 CONTINGENT DEFERRED CONSIDERATION**

Contingent deferred consideration is discounted at present values and recognised in the financial statements as provisions for liabilities and charges

The provision for deferred consideration is based on the directors' best estimate of future payments, and initial estimates are periodically revised as further and more certain information becomes available

The discount element of the consideration is released to the profit and loss account over the course of the contract and is treated as interest payable/received

**2. TURNOVER**

The whole of the turnover is attributable to commission and fees earned during the period

All turnover arose within the United Kingdom

**3. OPERATING PROFIT**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration - audit services	<b>27,900</b>	23,472
Auditors' remuneration - other services	<b>4,086</b>	3,258
Depreciation - plant and machinery	<b>63,891</b>	50,552
Amortisation of intangible fixed assets	<b>2,124,010</b>	1,384,080
Operating lease rentals - plant and machinery	<b>21,209</b>	11,521
Operating lease rentals - land and buildings	<b>357,342</b>	318,144
(Profit) on disposal of fixed assets	<b>(6,801)</b>	(8,486)

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**ASTON SCOTT GROUP plc**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>5,918,735</b>	3,997,254
Social security costs	<b>642,788</b>	422,226
Other pension costs	<b>77,617</b>	10,750
	<b><u>6,639,140</u></b>	<b><u>4,430,230</u></b>

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

	<b>2012</b>	<b>2011</b>
	<b>No</b>	<b>No</b>
	<b><u>160</u></b>	<b><u>118</u></b>

**5 DIRECTORS' REMUNERATION**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Emoluments	<b><u>281,944</u></b>	<b><u>282,368</u></b>
Company pension contributions to defined contribution pension schemes	<b><u>10,000</u></b>	<b><u>10,000</u></b>

During the year retirement benefits were accruing to 1 director (2011 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £138,298 (2011 - £170,890)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2011 - £10,000)

**6. INTEREST PAYABLE**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	<b>264,444</b>	-
Other interest charged	-	15,392
Other interest on corporation tax	<b>822</b>	234
	<b><u>265,266</u></b>	<b><u>15,626</u></b>



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ASTON SCOTT GROUP plc

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012

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7. TAXATION

	2012 £	2011 £
UK corporation tax charge on profit for the year	<u>278,000</u>	<u>664,000</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2011 - *higher than*) the standard rate of corporation tax in the UK of 24% (2011 - 26%) The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>349,841</u>	<u>1,469,615</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2011 - 26%)	83,962	404,144

**EFFECTS OF:**

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,947	7,785
Capital allowances for the year in excess of depreciation	(24,648)	3,326
Amortisation not allowable	186,546	248,201
Other timing differences	22,193	544

<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	<u>278,000</u>	<u>664,000</u>
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**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges

**ASTON SCOTT GROUP plc**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**8. INTANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Goodwill £</b>
<b>COST</b>	
At 1 July 2011	10,932,166
Additions	9,256,400
Disposals	(587,729)
Revaluation surplus	26,556
At 30 June 2012	<u>19,627,393</u>
<b>AMORTISATION</b>	
At 1 July 2011	5,877,266
Charge for the year	2,124,010
On disposals	(412,729)
At 30 June 2012	<u>7,588,547</u>
<b>NET BOOK VALUE</b>	
At 30 June 2012	<u><u>12,038,846</u></u>
At 30 June 2011	<u><u>5,054,900</u></u>

**9. TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Freehold property £</b>	<b>Motor Vehicles £</b>	<b>Office Equipment £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>				
At 1 July 2011	-	94,550	381,452	476,002
Additions	490,000	71,000	179,859	740,859
Disposals	-	(76,800)	-	(76,800)
At 30 June 2012	<u>490,000</u>	<u>88,750</u>	<u>561,311</u>	<u>1,140,061</u>
<b>DEPRECIATION</b>				
At 1 July 2011	-	63,938	318,451	382,389
Charge for the year	-	22,544	41,347	63,891
On disposals	-	(65,601)	-	(65,601)
At 30 June 2012	<u>-</u>	<u>20,881</u>	<u>359,798</u>	<u>380,679</u>
<b>NET BOOK VALUE</b>				
At 30 June 2012	<u><u>490,000</u></u>	<u><u>67,869</u></u>	<u><u>201,513</u></u>	<u><u>759,382</u></u>
At 30 June 2011	<u><u>-</u></u>	<u><u>30,612</u></u>	<u><u>63,001</u></u>	<u><u>93,613</u></u>

**ASTON SCOTT GROUP plc**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**10. FIXED ASSET INVESTMENTS**

<b>COMPANY COST OR VALUATION</b>	<b>Investments in Subsidiary Companies £</b>
At 1 July 2011 and 30 June 2012	<b>2,516,511</b>
<b>NET BOOK VALUE</b>	
At 30 June 2012	<b>2,516,511</b>
At 30 June 2011	<b>2,516,511</b>

<b>Subsidiaries</b>	<b>Principal activity</b>	<b>Holding</b>	<b>Country of registration</b>
Aston Scott Ltd	Insurance broker	100%	England & Wales
ASG Risk Management Ltd	Risk Management	100%	England & Wales

**11. DEBTORS**

	<b>GROUP</b>		<b>COMPANY</b>
	<b>2012 £</b>	<b>2011 £</b>	<b>2012 £</b>
Trade debtors	1,447,136	714,264	-
Other debtors	33,672	3,305	-
Prepayments and accrued income	432,237	196,739	-
	<b>1,913,045</b>	<b>914,308</b>	<b>-</b>

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

	<b>GROUP</b>		<b>COMPANY</b>
	<b>2012 £</b>	<b>2011 £</b>	<b>2012 £</b>
Bank loans and overdrafts	1,071,432	-	-
Trade creditors	7,561,797	4,621,402	-
Amounts owed to group undertakings	-	-	<b>941,508</b>
Corporation tax	37,815	418,230	-
Social security and other taxes	221,988	129,356	-
Other creditors	26,933	-	-
Accruals and deferred income	587,979	304,596	-
	<b>9,507,944</b>	<b>5,473,584</b>	<b>941,508</b>

**ASTON SCOTT GROUP plc**

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**13. CREDITORS.  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<b>5,803,566</b>	-	-	-

Bank borrowings of £6,874,998 are secured by a charge over the group's assets

**14 PROVISIONS**

<b>GROUP</b>	<b>Contingent deferred consideration £</b>
At 1 July 2011	<b>411,869</b>
Additions (note 8)	<b>9,256,400</b>
Paid in year	<b>(6,526,951)</b>
Revision to contingent deferred consideration (note 8)	<b>26,556</b>
At 30 June 2012	<b>3,167,874</b>

**CONTINGENT DEFERRED CONSIDERATION**

Finance charges on discounting relate to adjustments arising from the discounting of deferred consideration in accordance with FRS 7

The deferred consideration relates to the purchase of the trade of a number of businesses. It is based on the directors' best estimate of future payments and is dependent on the level of future income generated

Of the deferred consideration £1,694,400 (2011 £255,749) is payable in more than one year

The Company has no provisions

**15 SHARE CAPITAL**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
32,458 (2011 - 35,558) Ordinary shares of £1 each	<b>32,458</b>	<b>35,558</b>
<b>ALLOTTED, CALLED UP AND PARTLY PAID</b>		
19,997 (2011 - 19,997) Ordinary shares of £1 each - 25p paid	<b>4,999</b>	<b>4,999</b>

The company redeemed 3,100 ordinary shares of £1 each for £1,000,000 on 20 April 2012

**ASTON SCOTT GROUP plc**

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**16. RESERVES**

	Share premium account £	Consolidated reserve £	Capital redemption reserve £	Profit and loss account £
<b>GROUP</b>				
At 1 July 2011	1,488,961	1,841,781		3,743,696
Profit for the year				71,841
Purchase of own shares				(1,000,000)
Transfer goodwill written off on consolidation to consolidated reserve		(398,088)		398,088
Movement on other reserves			3,100	
At 30 June 2012	<u>1,488,961</u>	<u>1,443,693</u>	<u>3,100</u>	<u>3,213,625</u>
		Share premium account £	Capital redemption reserve £	Profit and loss account £
<b>COMPANY</b>				
At 1 July 2011		1,488,961		445,548
Profit for the year				599,970
Purchase of own shares				(1,000,000)
Movement on other reserves			3,100	
At 30 June 2012		<u>1,488,961</u>	<u>3,100</u>	<u>45,518</u>

**ASTON SCOTT GROUP plc**

**NOTES TO THE FINANCIAL STATEMENTS  
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**17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

<b>GROUP</b>	<b>2012 £</b>	<b>2011 £</b>
Opening shareholders' funds	7,114,995	6,309,380
Profit for the year	71,841	805,615
Own shares purchased in the year	(1,000,000)	-
Closing shareholders' funds	<u>6,186,836</u>	<u>7,114,995</u>
<b>COMPANY</b>	<b>2012 £</b>	<b>2011 £</b>
Opening shareholders' funds	1,975,066	1,725,095
Profit for the year	599,970	249,971
Own shares purchased in the year	(1,000,000)	-
Closing shareholders' funds	<u>1,575,036</u>	<u>1,975,066</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The profit for the year dealt with in the accounts of the company was £599,970 (2011 - £249,971)

**18. NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2012 £</b>	<b>2011 £</b>
Operating profit	527,342	1,423,078
Amortisation of intangible fixed assets	2,124,010	1,384,080
Depreciation of tangible fixed assets	63,891	50,552
Profit on disposal of tangible fixed assets	(6,801)	(8,486)
(Increase)/decrease in debtors	(991,575)	266,083
Increase/(decrease) in creditors	3,343,345	(51,700)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<u>5,060,212</u>	<u>3,063,607</u>

**19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	<b>2012 £</b>	<b>2011 £</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	80,602	45,043
Interest paid	(265,266)	(262)
<b>NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<u>(184,664)</u>	<u>44,781</u>

**ASTON SCOTT GROUP plc**

**NOTES TO THE FINANCIAL STATEMENTS  
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**19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2012 £	2011 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Deferred consideration paid	(6,526,952)	(1,710,954)
Sale of intangible fixed assets	175,000	-
Purchase of tangible fixed assets	(740,859)	(30,791)
Sale of tangible fixed assets	18,000	8,486
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<b>(7,074,811)</b>	<b>(1,733,259)</b>
	2012 £	2011 £
<b>FINANCING</b>		
Purchase of ordinary shares	(1,000,000)	-
New secured loans	7,500,000	-
Repayments	(625,002)	-
<b>NET CASH INFLOW FROM FINANCING</b>	<b>5,874,998</b>	<b>-</b>

**20. ANALYSIS OF CHANGES IN NET DEBT**

	1 July 2011 £	Cash flow £	30 June 2012 £
Cash at bank and in hand	6,937,627	3,017,320	9,954,947
<b>DEBT:</b>			
Debts due within one year	-	(1,071,432)	(1,071,432)
Debts falling due after more than one year	-	(5,803,566)	(5,803,566)
<b>NET FUNDS</b>	<b>6,937,627</b>	<b>(3,857,678)</b>	<b>3,079,949</b>

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**ASTON SCOTT GROUP plc**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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**21 PENSION COMMITMENTS**

A defined contribution stakeholder pension scheme is operated on behalf of the employees of the group. The assets are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to various pension funds outside of the stakeholder scheme amounting to £77,617 (2011 £10,750).

**22 OPERATING LEASE COMMITMENTS**

At 30 June 2012 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
GROUP	£	£	£	£
EXPIRY DATE:				
Within 1 year	204,041	98,734	5,157	-
Between 2 and 5 year	91,257	169,517	22,015	9,701

**23 RELATED PARTY TRANSACTIONS**

During the year Aston Scott Group plc purchased 3,100 shares of nominal value £3,100 for £1,000,000 from C K Ford, a director of the company.

**24. CONTROLLING PARTY**

A G Scott is the ultimate controlling party by virtue of his majority shareholding in Aston Scott Group plc the parent company of the group.