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WYEDEAN INSURANCE SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 1987



WYEDEAN INSURANCE SERVICES LIMITED

YEAR ENDED 30 APRIL 1987

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30 APRIL 1987

# WYEDEAN INSURANCE SERVICES LIMITED

## DIRECTORS' REPORT

The directors submit their Report together with the audited Financial Statements of the company for the year ended 30 April 1987.

### Results and Dividends

The trading profit for the year, after taxation amounted to £3,204 (1986 - loss £825). The directors do not recommend the payment of a final ordinary dividend.

### Review of the Business

The principal activity of the company during the accounting period remained that of insurance brokerage. Results for the year were very pleasing. There was a substantial growth in the general insurance business transacted combined with a modest increase in income from life and pensions. Thus a significant trading profit was generated and the overall trend since 30 April 1987 continued to be most encouraging. Active steps are being taken to improve the level of life and pensions business.

### Fixed Assets

The changes in tangible fixed assets during the year are summarised in the notes to the financial statements. The company owned no intangible fixed assets.

### Directors and their Interests

The directors during the year ended 30 April 1987 and their interests in the share capital of the company were as follows:-

	<u>Ordinary Shares</u>	
	<u>30 April 1987</u>	<u>1 May 1987</u>
B. J. Barnard	55	55
J. F. Knipe (resigned 27.10.86)	N/A	20
P. J. Wooderson	5	N/A
Mrs P. B. Baker	<u>-</u>	<u>N/A</u>

### Charitable and Political Contributions

During the accounting year under review the company did not make any material charitable or political contributions.

### Close Company

The company is a close company within the provisions of the Income and Corporation Taxes Act 1970.

### Auditors

A resolution to re-appoint Moore Scott & Co as auditors will be put to the members at the Annual General Meeting.

By order of the Board

C. A. Barnard

Secretary

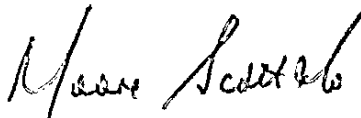
REPORT OF THE AUDITORS  
YEAR ENDED 30 APRIL 1987

TO THE MEMBERS OF WYEDEAN INSURANCE SERVICES LIMITED

We have audited the Financial Statements on Pages 4 to 10 in accordance with approved auditing standards having regard to the matters referred to in the following paragraphs.

In common with many businesses of similar size and organisation the company's system of control is dependent upon the close involvement of the directors (who are major shareholders). Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the Financial Statements, which have been prepared under the historic cost convention, give a true and fair view of the state of the company's affairs at 30 April 1987 and of its profit for the year ended on that date and comply with the Companies Act 1985 in so far as the provisions of that Act apply to these Financial Statements.



Moore Scott & Co  
Chartered Accountants  
Crescent Chambers  
Llandrindod Wells  
Powys

Date:

WYEDEAN INSURANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 1987

Y.E. 30.4.86

	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
TURNOVER	2		24,213		18,119
Establishment costs		1,500		400	
Administrative expenses		<u>19,142</u>	<u>20,642</u>	<u>19,025</u>	<u>19,425</u>
OPERATING PROFIT/(LOSS)	3		3,571		(1,306)
Interest receivable		798		561	
Interest payable		<u>(5)</u>	<u>793</u>	<u>(80)</u>	<u>481</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			4,364		(825)
Tax on profit on ordinary activities	9		<u>(1,160)</u>		<u>NIL</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION			3,204		(825)
Extraordinary items after taxation			<u>NIL</u>		<u>NIL</u>
PROFIT/(LOSS) for the financial year			3,204		(825)
Dividends	5		<u>NIL</u>		<u>NIL</u>
			3,204		(825)
Retained profit brought forward			<u>970</u>		<u>1,795</u>
RETAINED PROFIT CARRIED FORWARD			<u>4,174</u>		<u>970</u>
			<u>      </u>		<u>      </u>

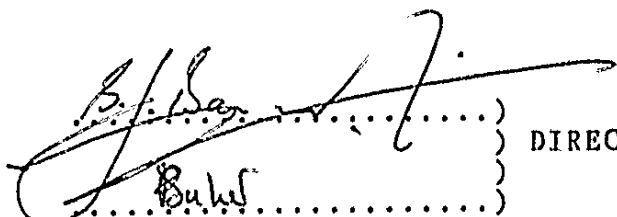
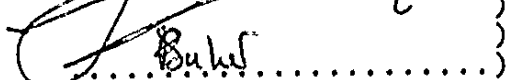
The notes on pages 7 to 10 form part of these financial statements.

WYEDEAN INSURANCE SERVICES LIMITED

BALANCE SHEET

30 APRIL 1987

	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u> <u>30.4.86</u>	<u>£</u>
TANGIBLE FIXED ASSETS	10		1,230		1,363
CURRENT ASSETS					
Debtors	6	622		1,498	
Cash at bank - Clients Account		18,361		11,169	
Cash at bank and in hand - Office Account		<u>5,052</u>		<u>11</u>	
		24,035		12,678	
CREDITORS: amounts falling due within one year	7	<u>20,971</u>		<u>12,951</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>3,064</u>		<u>(273)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,294		1,090
CREDITORS: amounts falling due after more than one year		NIL		NIL	
PROVISION FOR LIABILITIES AND CHARGES		NIL		NIL	
ACCRUALS AND DEFERRED INCOME		<u>NIL</u>		<u>NIL</u>	
			<u>NIL</u>		<u>NIL</u>
			<u>4,294</u>		<u>1,090</u>
CAPITAL AND RESERVES					
Called up Share Capital	8		120		120
Profit and Loss Account			<u>4,174</u>		<u>970</u>
			<u>4,294</u>		<u>1,090</u>

 ..... )  
 ..... ) DIRECTORS

Dated:

The notes on pages 7 to 10 form part of these financial statements.

WYEDEAN INSURANCE SERVICES LIMITED  
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR END 30 APRIL 1987

	<u>£</u>	<u>£</u>	<u>Y.E. 30.4.86</u>	
			<u>£</u>	<u>£</u>
SOURCE OF FUNDS:				
Profit/(Loss) on ordinary activities before taxation		4,364		(825)
Adjustments for items not involving the movement of funds:-				
Depreciation		<u>313</u>		<u>340</u>
TOTAL GENERATED FROM OPERATIONS		4,677		(485)
FUNDS FROM OTHER SOURCES		<u>NIL</u>		<u>NIL</u>
		4,677		(485)
APPLICATION OF FUNDS:				
Purchase of tangible fixed assets	180		112	
Corporation Tax paid	<u>-</u>	<u>(180)</u>	<u>57</u>	<u>(169)</u>
WORKING CAPITAL - INCREASE/(DECREASE)		<u>4,497</u>		<u>(654)</u>
COMPONENTS OF INCREASE/(DECREASE) IN WORKING CAPITAL				
Debtors	876		4	
Creditors (excluding Taxation)	(221)		(19)	
Monies held on behalf of Clients	<u>7,191</u>	7,846	<u>2,579</u>	2,564
MOVEMENT IN NET LIQUID FUNDS:				
Cash at bank - Office Account	(5,143)		677	
- Clients Account	(7,191)		(2,579)	
Cash in hand - Office Account	<u>(9)</u>	(12,343)	<u>(8)</u>	(1,910)
		<u>(4,497)</u>		<u>654</u>

The notes on pages 7 to 10 form part of these financial statements.



WYDEAN INSURANCE SERVICES LIMITED  
NOTES TO THE ACCOUNTS  
YEAR ENDED 30 APRIL 1987

ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historic cost convention.

Deferred Taxation

No provision has been made in the financial statements for taxation deferred by reason of capital allowances exceeding depreciation as it is considered by the directors that no liability to taxation will arise in the foreseeable future as a result of a reversal of these timing differences.

Advertising and Promotion

Advertising costs are written off as incurred.

Value Added Tax

Items in the financial statements are shown inclusive of Value Added Tax as the company is not registered for V.A.T. purposes.

Commissions

Credit is taken for commissions in respect of life and pension business transacted by reference to the date on which the first policy premium is paid.

Credit is taken for commissions in respect of general business transacted by reference to the date on which the net premium is remitted to the insurance company concerned. This date will normally follow closely upon the issue by the insurance company of its periodical statement of account.

2. TURNOVER

Turnover represents the total gross value of services provided (mainly commissions) less any proportion rebated to third party intermediaries. Turnover does not include income from outside the United Kingdom. Turnover can be analysed as follows:-

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
Commission - Life and Pension business	2,974	2,639
Commission - General and commercial business	21,239	15,480
Other Fees and Commission	<u>          </u>	<u>          </u>
	24,213	18,119
	<u>          </u>	<u>          </u>

WYDEAN INSURANCE SERVICES LIMITED  
NOTES TO THE ACCOUNTS (CONT)  
YEAR ENDED 30 APRIL 1987

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
3. <u>OPERATING (LOSS)/PROFIT</u>		
This is stated after charging:		
Directors' Remuneration	3,375	-
Directors' Fees	-	-
Directors' Pension Contributions	230	236
Auditors Remuneration	313	340
Depreciation	<u>          </u>	<u>          </u>
4. <u>STAFF COSTS (including Directors)</u>		
Wages and Salaries	12,200	11,15
Social Security Costs	837	1,000
Other Pension Costs	<u>          </u>	<u>          </u>
	13,037	12,615
	<u>          </u>	<u>          </u>
5. <u>DIVIDENDS</u>		
Ordinary - interim paid	-	-
- final proposed	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
6. <u>DEBTORS</u>		
Trade Debtors	622	448
Other Debtors	-	800
Prepayments	<u>          </u>	<u>250</u>
	622	1,498
	<u>          </u>	<u>          </u>
7. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Monies held on behalf of Clients	18,361	11,169
Trade Creditors	548	526
Current Corporation Tax (Note 9)	1,160	-
Other Taxes and Social Security Costs	244	261
Accruals	658	885
Bank Overdraft	<u>          </u>	<u>110</u>
	20,971	12,951
	<u>          </u>	<u>          </u>
8. <u>SHARE CAPITAL</u>	<u>Authorised No.</u>	<u>Allotted, called up</u> <u>and fully paid</u>
Ordinary Shares of £1 each	50,000	120

WYEDEAN INSURANCE SERVICES LIMITED  
NOTES TO THE ACCOUNTS (CONT)  
YEAR ENDED 30 APRIL 1987

	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
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TAX ON PROFIT ON ORDINARY ACTIVITIES

U.K. Corporation Tax at 29% based  
on profits/(losses) for the year  
ended 30 April 1987 (1986)  
Underprovided in respect of previous  
accounting period

1,160	-
-	-
1,160	NIL

10. TANGIBLE FIXED ASSETS

	<u>Computer</u> <u>Equipment</u>  <u>£</u>	<u>Other Office</u> <u>Equipment</u>  <u>£</u>	<u>Total</u>  <u>£</u>
<u>Cost:</u>			
At 1 May 1986	1,558	854	2,412
Additions	-	180	180
At 30 April 1987	1,558	1,034	2,592
<u>Depreciation:</u>			
At 1 May 1986	692	357	1,049
Provided during year	176	137	313
At 30 April 1987	868	494	1,362
<u>Net Book Value:</u>			
At 30 April 1987	690	540	1,230
At 1 May 1986	866	497	1,363

Depreciation is calculated at 20% on the "reducing balance" method.

11. COMMITMENTS FOR CAPITAL EXPENDITURE

	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
Contracts placed but not provided in the Financial Statements	NIL	NIL
Authorised but not contracted for	NIL	NIL

12. CONTINGENT LIABILITIES

Life and pensions business is transacted on an "Indemnity" basis. This means that the full commission is remitted to the company upon payment by the client of the first policy premium. Thus there is a contingent liability at all times in respect of commission on policies which are lapsed or otherwise cancelled prior to the payment in full of the first years premiums by the clients. The maximum such contingent liability is £851 (1986, £592).

There are no other contingent liabilities at the Balance Sheet date so far as the directors are aware.

WYEDEAN INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONT)

YEAR ENDED 30 APRIL 1987

13. DEFERRED TAXATION

a) Current taxation

The extent to which the current taxation charge has been reduced by accelerated taxation relief is £NIL (1986 - £NIL).

b) Cumulative taxation

The extent to which the cumulative taxation charges have been reduced by accelerated taxation reliefs are:-

	<u>1987</u>	<u>1986</u>
	<u>£</u>	<u>£</u>
Capital Allowances	222	291
Losses	<u>-</u>	<u>(153)</u>
	<u>222</u>	<u>138</u>

For the purposes of the above calculations the rate of Corporation Tax applied has been 27% (1986 - 29%).

14. DIRECTORS' INTEREST IN CONTRACTS WITH COMPANY

No director is or was materially interested in any contract subsisting during or at the end of the financial period which is or was significant in relation to the company's business.

15. DIRECTORS' APPROVAL

The Financial Statements for the year ended 30 April 1987 were approved by the Directors on 17 June 1987 for presentation to the members at the forthcoming Annual General Meeting.

WYEDEAN INSURANCE SERVICES LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 1987

	<u>Year ended</u> <u>30.4.87</u>		<u>Year ended</u> <u>30.4.86</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
COMMISSION INCOME				
Unit Trusts		2,974		2,639
Life and Pensions		21,239		15,480
General		-		-
Building Society		-		-
Management Fee		24,213		18,119
		798		561
<u>Add: Deposit Account Interest</u>		25,011		18,680
 <u>Less: EXPENSES</u>				
Directors Remuneration	3,679		12,615	
Salaries and N.H.I.	9,358		400	
Rental Charges	1,500		764	
Telephone	789			
Professional Indemnity Insurance	250		202	
Office Insurance	59		98	
Printing and Stationery	716		813	
Wendmore - Computer Software	600		600	
Postage	985		1,011	
Advertising and Publicity	562		636	
Audit Fee	230		236	
Accountancy Charges	287		253	
Registration Fees	-		130	
Subscriptions	56		-	
Motor and Travel Expenses	256		602	
Equipment Maintenance	138		89	
Publications and Training	117		13	
Bank Charges	559		370	
Bank Interest	5		80	
Entertaining	28		87	
Sundries	160		166	
Depreciation	313		340	
		20,647		19,505
 <u>NET PROFIT/(LOSS) FOR THE YEAR</u>		4,364		(825)