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**ABBOTT & BRAMWELL LIMITED**

**REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 JULY 1997**



**ABBOTT & BRAMWELL LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 1997**

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# **ABBOTT & BRAMWELL LIMITED**

## **COMPANY INFORMATION AS AT 31 JULY 1997**

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### **DIRECTORS**

I Bramwell  
D Abbott

### **SECRETARY**

J Abbott

### **REGISTERED OFFICE**

Mansen House  
318A London Road  
Hazel Grove  
Stockport  
SK7 4RF

### **REGISTERED NUMBER**

2929143

### **BUSINESS ADDRESS**

Mansen House  
318A London Road  
Hazel Grove  
Stockport  
SK7 4RF

### **AUDITORS**

Hurst & Company  
Chartered Accountants &  
Registered Auditors  
Lancashire Gate  
21 Tiviot Dale  
Stockport  
SK1 1TD

### **SOLICITORS**

Colemans  
Elizabeth House  
16 St Peters Square  
Manchester  
M2 3DF

**ABBOTT & BRAMWELL LIMITED**

**COMPANY INFORMATION  
AS AT 31 JULY 1997**

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**PRINCIPAL BANKERS**

Royal Bank of Scotland Plc  
St Ann Street  
Manchester  
M60 2SS

# **ABBOTT & BRAMWELL LIMITED**

## **DIRECTORS' REPORT**

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The directors present their annual report with the financial statements of the company for the year ended 31 July 1997.

### **PRINCIPAL ACTIVITIES**

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

### **REVIEW OF THE BUSINESS**

The net profit after providing for taxation amounted to £57,882.

The year has been a satisfactory one and it is anticipated that this performance will be maintained in the forthcoming year.

### **DIVIDENDS**

An interim dividend of £47,000 has been paid. The directors do not propose payment of a final dividend.

### **DIRECTORS AND THEIR INTERESTS**

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		<b>Number of Shares</b>	
		<b>1997</b>	<b>1996</b>
I Bramwell	£1 Ordinary Shares	500	500
	£1 Ordinary "A" Shares	50	50
D Abbott	£1 Ordinary Shares	500	500
	£1 Ordinary "A" Shares	50	50

### **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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 maintaining 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 and detection of fraud and other irregularities.

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the company made charitable donations amounting to £396.

### **CLOSE COMPANY**

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

**ABBOTT & BRAMWELL LIMITED**

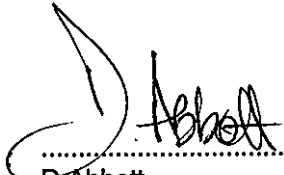
**DIRECTORS' REPORT**

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**AUDITORS**

The auditors, Hurst & Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

On behalf of the board:

  
.....  
D Abbott  
Director

15/10/97.

Approved by the board: 15 October 1997

## **ABBOTT & BRAMWELL LIMITED**

### **AUDITORS' REPORT**

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We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 8.

#### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS**

As described in the directors' report, 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 as to whether 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 affairs of the company as at 31 July 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Hurst & Company*

.....  
**Hurst & Company**  
**Chartered Accountants &**  
**Registered Auditors**  
**Lancashire Gate**  
**21 Tiviot Dale**  
**Stockport**  
**SK1 1TD**

*23 October 1997*

**ABBOTT & BRAMWELL LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JULY 1997**

	Notes	1997 £	1996 £
<b>TURNOVER</b>		243,883	197,199
Administrative expenses		229,099	165,734
		14,784	31,465
Other operating income		56,368	30,319
<b>OPERATING PROFIT</b>	2	71,152	61,784
Investment income and interest receivable	3	6,689	4,221
Interest payable and similar charges	4	(1,504)	(1,365)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		76,337	64,640
Tax on profit on ordinary activities	6	(18,455)	(18,053)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		57,882	46,587
Dividends	7	(47,000)	(45,000)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	15	10,882	1,587

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years.

**Total recognised gains and losses**

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 14 form part of these financial statements.



**ABBOTT & BRAMWELL LIMITED****BALANCE SHEET  
AT 31 JULY 1997**

	Notes	£	1997 £	£	1996 £
<b>FIXED ASSETS</b>					
Tangible assets	8		42,622		32,602
<b>CURRENT ASSETS</b>					
Debtors	9	119,086		161,449	
Cash at bank and in hand		115,588		107,408	
		<u>234,674</u>		<u>268,857</u>	
<b>CREDITORS:</b> amounts falling due within one year	10	(253,481)		(285,154)	
<b>NET CURRENT LIABILITIES</b>			(18,807)		(16,297)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			23,815		16,305
<b>CREDITORS:</b> amounts falling due after more than one year	11		(6,657)		(10,029)
<b>NET ASSETS</b>			<u>17,158</u>		<u>6,276</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		1,100		1,100
Profit and loss account	15		16,058		5,176
<b>TOTAL SHAREHOLDERS' FUNDS</b>	16		<u>17,158</u>		<u>6,276</u>

The financial statements were approved by the board of directors on ..... 18.10.97 .....  
and signed on its behalf by:

  
D Abbott  
Director

The notes on pages 8 to 14 form part of these financial statements.

# **ABBOTT & BRAMWELL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997**

### **1. STATEMENT OF ACCOUNTING POLICIES**

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

#### **Turnover**

Turnover represents commissions and fees on insurance policies due for renewal during the year. Alterations in commissions arising from returns and additional premiums and adjustments are taken into account as and when they occur.

#### **Depreciation of tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Motor vehicles	25% reducing balance
Office Equipment	20% reducing balance

#### **Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

### **2. OPERATING PROFIT**

<b>Operating profit is stated:</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>After charging:</b>		
Depreciation of fixed assets	9,568	9,406
Auditors' remuneration	3,231	2,233
Operating lease rentals		
Office equipment	630	761
Motor vehicles	4,467	-
Buildings	10,000	10,000
	<hr/>	<hr/>
<b>After crediting:</b>		
Rent received	5,323	4,775
	<hr/>	<hr/>

### **3. INVESTMENT INCOME AND INTEREST RECEIVABLE**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>Interest received and receivable</b>		
Bank interest	6,689	4,221
	<hr/>	<hr/>

**ABBOTT & BRAMWELL LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 1997****4. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>1997</b> <b>£</b>	<b>1996</b> <b>£</b>
On bank loans	1,345	1,365
Lease finance charges and hire purchase interest	90	-
Bank interest	69	-
	<u>1,504</u>	<u>1,365</u>

**5. INFORMATION ON DIRECTORS AND EMPLOYEES**

	<b>1997</b> <b>£</b>	<b>1996</b> <b>£</b>
<b>Staff costs</b>		
Wages and salaries	110,565	74,928
Social security costs	8,842	5,276
	<u>119,407</u>	<u>80,204</u>

	<b>1997</b> <b>No.</b>	<b>1996</b> <b>No.</b>
The average monthly number of employees during the year was made up as follows:		
Administration	<u>9</u>	<u>8</u>

	<b>1997</b> <b>£</b>	<b>1996</b> <b>£</b>
<b>Directors' emoluments</b>		
Remuneration for management services (including pension contributions)	<u>45,539</u>	<u>35,020</u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>1997</b> <b>£</b>	<b>1996</b> <b>£</b>
The taxation charge comprises:		
UK Corporation tax at 21 & 24% (1996 - 24 & 25%)	18,455	17,766
Adjustment in respect of prior years	-	287
	<u>18,455</u>	<u>18,053</u>

**ABBOTT & BRAMWELL LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 1997****7. DIVIDENDS PAID OR PROPOSED**

	<b>1997 £</b>	<b>1996 £</b>
On ordinary 'A' shares: Interim dividend paid	33,500	10,000
On ordinary shares: Interim dividend paid	13,500	35,000
	<u>47,000</u>	<u>45,000</u>

**8. TANGIBLE FIXED ASSETS**

	<b>Office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost:</b>			
At 1 August 1996	14,812	29,550	44,362
Additions	19,588	-	19,588
At 31 July 1997	<u>34,400</u>	<u>29,550</u>	<u>63,950</u>
<b>Depreciation:</b>			
At 1 August 1996	4,963	6,798	11,761
Charge for year	3,879	5,688	9,567
At 31 July 1997	<u>8,842</u>	<u>12,486</u>	<u>21,328</u>
<b>Net book value:</b>			
At 31 July 1997	<u>25,558</u>	<u>17,064</u>	<u>42,622</u>
At 31 July 1996	<u>9,850</u>	<u>22,752</u>	<u>32,602</u>

Included above are assets held under finance leases or hire purchase contracts as follows:-

	<b>1997 £</b>	<b>1996 £</b>
Net book values:		
Fixtures and fittings	<u>1,064</u>	<u>-</u>
Depreciation charge for the year:		
Fixtures and fittings	<u>266</u>	<u>-</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

**ABBOTT & BRAMWELL LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 1997****9. DEBTORS**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Trade debtors	116,259	157,537
Prepayments and accrued income	2,827	3,912
	<u>119,086</u>	<u>161,449</u>

**10. CREDITORS: amounts falling due within one year**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	9,173	20,515
Net obligations under finance leases and hire purchase contracts	443	-
Trade creditors	178,699	212,084
Corporation tax	12,017	11,725
Other taxes and social security costs	3,310	1,965
Directors' current accounts	33,793	30,980
Other creditors	720	1,739
Accruals and deferred income	15,326	6,146
	<u>253,481</u>	<u>285,154</u>

The bank overdrafts and loans are secured by way of a fixed charge over the assets of the company dated 15 May 1995.

**11. CREDITORS: amounts falling due after more than one year**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Loans	5,992	10,029
Net obligations under finance leases and hire purchase contracts	665	-
	<u>6,657</u>	<u>10,029</u>

**ABBOTT & BRAMWELL LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 1997****12. BORROWINGS**

	<b>1997 £</b>	<b>1996 £</b>
<b>The company's borrowings are repayable as follows</b>		
Up to one year and on demand	9,173	20,515
Between one and two years	4,403	6,841
Between two and five years	1,589	3,188
	<u>15,165</u>	<u>30,544</u>
Wholly repayable within five years	<u>15,165</u>	<u>30,544</u>
Included in current liabilities	<u>9,173</u>	<u>20,515</u>

**13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

	<b>1997 £</b>	<b>1996 £</b>
<b>The company's net obligations under finance leases and hire purchase contracts are repayable as follows:</b>		
Within one year or on demand	443	-
Between one and two years	443	-
Between two and five years	222	-
	<u>1,108</u>	<u>-</u>
Included in current liabilities	<u>(443)</u>	<u>-</u>
	<u>665</u>	<u>-</u>

**ABBOTT & BRAMWELL LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 1997****14. SHARE CAPITAL**

	<b>1997 £</b>	<b>1996 £</b>
<b>Authorised:</b>		
<b>Equity interests:</b>		
Ordinary shares of £1 each	1,000	1,000
<b>Non-equity interests:</b>		
Ordinary "A" shares of £1 each	100	100
	<u>1,100</u>	<u>1,100</u>
 <b>Allotted, called up and fully paid:</b>		
<b>Equity interests:</b>		
Ordinary shares of £1 each	1,000	1,000
<b>Non-equity interests:</b>		
Ordinary "A" shares of £1 each	100	100
	<u>1,100</u>	<u>1,100</u>

The shares have the right to dividends, but no right to vote or share in surplus assets.

**15. PROFIT AND LOSS ACCOUNT**

	<b>1997 £</b>	<b>1996 £</b>
Retained profit at 1 August 1996	5,176	3,589
Profit for the year	10,882	1,587
Retained profit at 31 July 1997	<u>16,058</u>	<u>5,176</u>

**16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>1997 £</b>	<b>1996 £</b>
<b>Profit for the financial year</b>	57,882	46,587
Dividends	(47,000)	(45,000)
<b>Net addition to shareholders' funds</b>	10,882	1,587
Opening shareholders' funds	6,276	4,689
<b>Closing shareholders' funds</b>	<u>17,158</u>	<u>6,276</u>
 <b>Represented by:-</b>		
Equity interests	17,058	6,176
Non-equity interests	100	100
	<u>17,158</u>	<u>6,276</u>

# **ABBOTT & BRAMWELL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997**

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### **17. REVENUE COMMITMENTS**

At year end the company was committed to making the following payments during the next year in respect of operating leases with expiry dates as follows:

	Land and buildings		Other	
	1997	1996	1997	1996
	£	£	£	£
Within one year	-	-	-	-
More than one year and less than five years	10,000	10,000	5,086	-

### **18. CONTROL**

The company is under the control of the two directors D Abbott and I Bramwell who each hold 50% of the voting share capital.

Included in creditors are directors loans of £33,793 which is split as follows, D Abbott £17,237; I Bramwell £16,556.

The bank advances are secured by a personal guarantee from the directors in the form of a debenture amounting to £22,000.