

**OBC Insurance Consultants Limited**  
(formerly Secure Homes Manchester Limited)

**Annual report  
for the year ended 31 December 1991**

**Registered number: 320321**

Coopers  
& Lybrand  
Deloitte

# **OBC Insurance Consultants Limited**

## **Annual report for the year ended 31 December 1991**

	<b>Pages</b>
<b>Directors' report</b>	<b>1 - 2</b>
<b>Report of the auditor</b>	<b>3</b>
<b>Profit and loss account</b>	<b>4</b>
<b>Balance sheet</b>	<b>5</b>
<b>Notes to the financial statements</b>	<b>6 - 12</b>

**Directors' report  
for the year ended 31 December 1991**

The directors present their report and the audited financial statements for the year ended 31 December 1991.

**Acquisition of the business of OBC Insurance Consultants Limited**

On 25 April 1991 the company acquired the business and assets of OBC Insurance Consultants Limited for a cash consideration of £400,000 as set out in note 15.

**Change of name**

On 9 July 1991 the company changed its name from Secure Homes Manchester Limited to its present name.

**Principal activity**

The company recommenced trading on 25 April 1991. Its principal activity is that of insurance consultants.

**Business review**

The directors are satisfied with the performance of the company and do not envisage any change in the principal activity in the ensuing year.

**Dividend and transfer to reserves**

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 1991. The profit for the year of £35,354 has been transferred to reserves.

**Directors**

The directors who served throughout the year were as follows:

R. Paston  
M. C. Moss

Mr M. C. Moss retires by rotation and is not seeking re-election.

On 9 April 1992 Mr J. Shipley was appointed a director and, in accordance with the Articles of Association, offers himself for election.

Mr R. Paston is a director of the ultimate parent company 'Secure Trust Group PLC and his interest in the share capital of the group is shown in the directors' report of that company.

**Directors' (continued)**

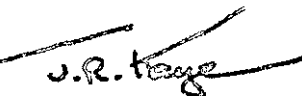
At 31 December 1991 Mr M. C. Moss had a beneficial interest in 83,660 ordinary shares of 1p each (1 January 1991 - 91,160 ordinary shares of 1p) in the share capital of Secure Trust Group PLC, the company's ultimate parent company.

**Auditor**

The directors appointed Coopers & Lybrand Deloitte as auditor to the company on 25 April 1991.

A resolution to reappoint the auditor, Coopers & Lybrand Deloitte, will be proposed at the annual general meeting.

**By order of the board**



J. R. Kaye  
Secretary

9 April 1992

## **Report of the auditor to the members of OBC Insurance Consultants Limited**

We have audited the financial statements on pages 4 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1991 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand Deloitte*

**Coopers & Lybrand Deloitte  
Chartered Accountants and Registered Auditor  
Birmingham**

9 April 1992

# OBC Insurance Consultants Limited

4

## Profit and loss account for the year ended 31 December 1991

	Notes	1991 £	1990 £
Turnover	5	1,715,600	-
Administrative expenses		1,361,185	-
Operating profit before exceptional item		<u>354,415</u>	-
Exceptional item	4	170,550	-
Operating profit		<u>183,865</u>	-
Interest	6	128,511	-
Profit on ordinary activities before taxation	5	<u>55,354</u>	-
Taxation	7	20,000	-
Retained profit for the year	14	<u><u>35,354</u></u>	-

# OBC Insurance Consultants Limited

5

## Balance sheet at 31 December 1991

	Notes	1991 £	1990 £
<b>Fixed assets</b>			
Tangible assets	8	737,393	-
<b>Current assets</b>			
Debtors	9	317,194	360
Property held for resale		123,500	-
		<u>440,694</u>	<u>360</u>
Creditors: amounts falling due within one year	10	4,128,333	-
Net current (liabilities)/assets		<u>(3,687,639)</u>	<u>360</u>
Total assets less current liabilities		(2,950,246)	360
Creditors: amounts falling due after more than one year	11	12,000	-
Provisions for liabilities and charges	12	(8,000)	-
Net (liabilities)/assets		<u>(2,954,246)</u>	<u>360</u>
<b>Capital and reserves</b>			
Called-up share capital	13	360	360
Profit and loss account	14	(64,312)	-
Goodwill reserve	15	(2,890,294)	-
		<u>(2,954,246)</u>	<u>360</u>

The financial statements on pages 4 to 12 were approved by the board of directors on 9 April 1992 and were signed on its behalf by:

R. Paston  
Director



**Notes to the financial statements  
for the year ended 31 December 1991****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 is set out below.

**Basis of accounting**

The financial statements have been prepared on the historical cost basis of accounting and on a going concern basis. The ultimate parent company Secure Trust Group PLC has acknowledged that it will provide continued financial support to the company to enable the business to continue as a going concern for the foreseeable future.

**Depreciation**

Depreciation is charged on a straight line basis from the month of purchase, to write down the cost of tangible fixed assets over their estimated useful lives applying the following annual rates:

Freehold buildings	2%
Office equipment	15%
Motor vehicles	25%

Freehold land is not depreciated.

**Turnover**

Turnover represents brokerage and other commissions. Commissions are included in the profit and loss account from the inception of an agency contract.

**Goodwill**

Goodwill arising on the acquisition of the business of the former OBC Insurance Consultants Limited is calculated as the difference between the fair value of the separable net assets acquired and the fair value of the consideration, and is written off to a goodwill reserve. Equal annual transfers are made from the profit and loss reserve to eliminate this goodwill over its estimated economic life of 20 years.

**Deferred taxation**

Provision for deferred taxation is made only where a liability is expected to arise in the foreseeable future. Provisions are calculated at the current rate of corporation tax.



## Pension costs

The company contributes to individual defined contribution pension schemes for the benefit of certain employees. The company's contributions, which are determined annually, are charged against profits in the year in which they are made.

## Cash flow statement

The company is a wholly owned subsidiary of Secure Trust Group PLC and the cash flows of the company are included in the consolidated group cash flow statement of Secure Trust Group PLC. Consequently the company is exempt under the terms of Financial Reporting Standard No.1 from publishing a cash flow statement.

## 2 Directors' emoluments

No director received any emoluments for the year (1990 £Nil).

## 3 Employee information

Since the acquisition of the business of the former OBC Insurance Consultants Limited, the average weekly number of persons employed was:

	1991 Number	1990 Number
Administration	148	-
	<u>          </u>	<u>          </u>
	1991	1990
	£	£
Staff costs:		
Wages and salaries	732,500	-
Social security costs	61,147	-
Other pension costs (see note 17)	2,398	-
	<u>          </u>	<u>          </u>
	796,045	-
	<u>          </u>	<u>          </u>

## 4 Exceptional item

Exceptional reorganisation costs of £170,550 arose from the rationalisation of the company's activities following the acquisition of the business of the former OBC Insurance Consultants Limited.

## 5 Turnover and profit on ordinary activities before taxation

No analysis of turnover or profit before taxation by activity or geographical area is given as the company is involved in only one activity which arises entirely in the United Kingdom.

The profit and loss account covers the period from 25 April 1991 to 31 December 1991 following the acquisition of the business and undertaking of OBC Insurance Consultants Limited. Prior to that date the company was dormant.

	1991 £	1990 £
Profit on ordinary activities before taxation is stated after crediting:		
Rent receivable	10,257	-
And after charging:		
Depreciation on tangible fixed assets	49,151	-
Auditor's remuneration	15,000	-
Hire of office equipment - operating leases	26,250	-

## 6 Interest

On amounts due to group undertakings	128,511	-
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## 7 Taxation

	1991 £	1990 £
United Kingdom corporation tax at 33%		
Current	28,000	-
Deferred	(8,000)	-
	20,000	-

## 8 Tangible fixed assets

	Freehold property £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 January 1991	-	-	-	-
On acquisition of business	603,500	267,888	56,000	927,388
Additions	-	670	-	670
Disposals	-	-	(18,014)	(18,014)
Transfer to current assets	(123,500)	-	-	(123,500)
At 31 December 1991	<u>480,000</u>	<u>268,558</u>	<u>37,986</u>	<u>786,544</u>
Depreciation				
At 1 January 1991	-	-	-	-
Charge for year	6,000	28,801	14,350	49,151
At 31 December 1991	<u>6,000</u>	<u>28,801</u>	<u>14,350</u>	<u>49,151</u>
Net book value				
At 31 December 1991	<u>474,000</u>	<u>239,757</u>	<u>23,636</u>	<u>737,393</u>
Net book value				
At 31 December 1990	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 9 Debtors

	1991 £	1990 £
Amounts falling due within one year		
Trade debtors	259,121	-
Amounts owed by group undertakings	-	360
Prepayments and accrued income	58,073	-
	<u>317,194</u>	<u>360</u>

## 10 Creditors: amounts falling due within one year

	1991 £	1990 £
Bank overdraft	528,592	-
Trade creditors	1,886,728	-
Amounts owed to group undertakings	1,558,926	-
Corporation tax	28,000	-
Other taxation and social security payable	24,866	-
Other creditors	46,930	-
Accruals and deferred income	54,291	-
	<u>4,128,333</u>	<u>-</u>

## 11 Creditors: amounts falling due after one year

	1991 £	1990 £
Other creditors	12,000	-

## 12 Provisions for liabilities and charges

### Deferred taxation

Full provision has been made in the financial statements for deferred taxation as follows:

	1991 £	1990 £
Tax effect of timing differences because of:		
Excess of tax allowances over depreciation	5,000	-
Other	(13,000)	-
	<u>(8,000)</u>	<u>-</u>

The movement on the deferred taxation account is as follows:

	£
At 1 January 1991	-
Profit and loss account	(8,000)
At 31 December 1991	<u>(8,000)</u>

## 13 Called-up share capital

	1991 £	1990 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
360 ordinary shares of £1 each	360	360

## 14 Profit and loss account

	£
At 1 January 1991	-
Retained profit	35,354
Transfer to goodwill reserve	(99,666)
At 31 December 1991	<u>(64,312)</u>

## 15 Goodwill reserve

	£
At 1 January 1991	-
Arising in the year	(2,989,960)
Transfer from profit and loss reserve	99,666
At 31 December 1991	<u>(2,890,294)</u>

The goodwill arising in the year is in respect of the acquisition of the business of the former OBC Insurance Consultants Limited as follows:

	Cost £	Revaluation and acquisition adjustments £	Fair Value £
Tangible Fixed assets	1,260,000	(332,612)	927,388
Debtors	421,559	-	421,559
Creditors and provisions	(3,840,593)	-	<u>(3,840,593)</u>
Net Liabilities			(2,491,646)
Consideration			<u>(498,314)</u>
Premium on acquisition			<u>(2,989,960)</u>

## Revaluation and acquisition adjustments

Tangible fixed assets have been adjusted to fair value based upon external professional valuers advice.

## Consideration

The fair value of consideration comprises cash of £400,000 and acquisition costs of £98,314.

## 16 Financial commitments

The company had annual commitments under non-cancellable operating leases expiring as follows:

	1991 £	1990 £
Within one year	8,450	-
Between two and five years	68,770	-
After five years	<u>95,200</u>	<u>-</u>

## 17 Pension arrangements

The company makes contributions to individual defined contribution pension schemes on behalf of certain employees. The assets of the schemes are held separately from those of the company in independently administered schemes. The pension cost charge represents contributions payable by the company and is shown in note 3.

## 18 Ultimate parent company

The directors regard Secure Trust Group PLC, a company registered in England and Wales, as the ultimate parent company.

A copy of the consolidated financial statements of Secure Trust Group PLC may be obtained from The Secretary, Secure Trust Group PLC, 23/27 Heathfield Road Birmingham B14 7BY.