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WALTER AINSBURY AND SON LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1995



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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1995

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WALTER AINSBURY AND SON LIMITED

DIRECTORS AND OFFICERS

FOR THE YEAR ENDED 30 NOVEMBER 1995

DIRECTORS

D. Bingham  
D.J. Palmer  
N.G. Minay  
P. Edwards (resigned 23 October 1995)

SECRETARY

N.G. Minay

REGISTERED OFFICE

79 Station Road  
Swinton  
Manchester

PRINCIPAL PLACE OF BUSINESS

79 Station Road  
Swinton  
Manchester

REGISTERED AUDITOR

Hurst & Company  
Chartered Accountants  
2nd Floor  
Dale House, Tiviot Dale  
Stockport  
Cheshire SK1 1TD

BANKERS

Royal Bank of Scotland  
151 Chorley Road  
Swinton  
Manchester

COMPANY NUMBER

424757

WALTER AINSBURY AND SON LIMITEDREPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 30 November 1995

**RESULTS AND DIVIDENDS**

The results for the year after taxation are set out in the Profit and Loss Account on page 5.

An interim dividend was paid during the year amounting to £32,376

The directors do not propose to pay a final dividend.

**BUSINESS REVIEW**

The company's principal activity during the year was that of insurance agents and brokers.

**DIRECTORS AND THEIR INTERESTS**

The directors who served during the year and their shareholdings were:

Interest in £1 ordinary shares  
at 01.12.94 and 30.11.95

D. Bingham	333	334
D.J. Palmer	333	333
P. Edwards (resigned 23.10.95)	1	-
N.G. Minay	1	1

**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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 keeping 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.

**TAX STATUS**

In the opinion of the directors, the company is a 'close company' within the meaning of the Income and Corporation Taxes Act 1988.

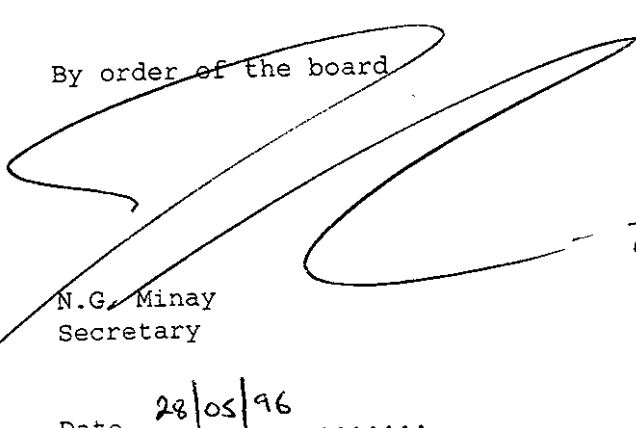
WALTER AINSBURY AND SON LIMITEDREPORT OF THE DIRECTORS (Continued)**FIXED ASSETS**

The changes in fixed assets during the year are summarised in note 10 to the financial statements.  
The directors consider it inappropriate to provide for depreciation for freehold properties

**AUDITORS**

The auditors, Hurst & Company have signified their willingness to continue in office and their re-appointment will be proposed at the forthcoming Annual General Meeting.

By order of the board



N.G. Minay  
Secretary

Date... 28/05/96 .....

WALTER AINSBURY AND SON LIMITEDREPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out in note 1.

**Respective responsibilities of directors and auditors**

As described on page 2 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 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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 November 1995 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 and Registered Auditor

Date... *30 May 1996*

WALTER AINSBURY AND SON LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 30 NOVEMBER 1995

		<u>1995</u>		<u>1994</u>	
	Note	£	£	£	£
Turnover	2		<u>544,679</u>		<u>542,683</u>
Gross Profit			544,679		542,683
Administration Expenses		441,352		472,529	
Other Operating Charges		<u>72,209</u>		<u>76,732</u>	
			<u>513,561</u>		<u>549,261</u>
Operating Profit/(Loss)	3		31,118		(6,578)
Other Income	6		<u>9,442</u>		<u>7,629</u>
			40,560		1,051
Interest Payable & Similar Charges	7		<u>11,079</u>		<u>9,731</u>
Profit/(Loss) on ordinary Activities			29,481		(8,680)
Taxation on profit on ordinary activities	8		<u>9,514</u>		<u>(4,722)</u>
Profit/(Loss) on ordinary activities after taxation			19,967		(3,958)
Dividends	9		<u>32,376</u>		<u>32,400</u>
Revenue Reserves For The Year			(12,409)		(36,358)
Revenue Reserves Brought Forward			<u>202,851</u>		<u>239,209</u>
Revenue Reserves Carried Forward			<u>190,442</u>		<u>202,851</u>

**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 13 form part of these financial statements.

WALTER AINSBURY AND SON LIMITEDBALANCE SHEET AT 30 NOVEMBER 1995

		<u>1995</u>		<u>1994</u>	
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	10		137,885		142,620
Investments	11		<u>1,260</u>		<u>1,260</u>
			139,145		143,880
<b>Current Assets</b>					
Debtors	12	103,358		158,189	
Cash at bank		199,768		123,912	
Cash in hand		<u>70</u>		<u>376</u>	
		303,196		282,477	
<b>Creditors</b>					
Amounts falling due within one year	13	<u>171,111</u>		<u>148,341</u>	
<b>Net Current Assets</b>			<u>132,085</u>		<u>134,136</u>
<b>Total Assets Less Current Liabilities</b>			271,230		278,016
<b>Creditors</b>					
Amounts falling due after more than one year	14		<u>79,651</u>		<u>74,028</u>
<b>Net Assets</b>			<u>191,579</u>		<u>203,988</u>
<b>Capital &amp; Reserves</b>					
Called up share capital	16		1,000		1,000
Reserves	17		<u>190,579</u>		<u>202,988</u>
			<u>191,579</u>		<u>203,988</u>

The financial statements were approved by the Board on 28 May 1996

..... *D. Bingham* ..... D. Bingham  
 Director

..... *D.J. Palmer* ..... D.J. Palmer  
 Director

The notes on pages 8 to 13 form part of these financial statements.



WALTER AINSBURY AND SON LIMITEDCASH FLOW STATEMENTFOR THE YEAR ENDED 30 NOVEMBER 1995

		<u>1995</u>		<u>1994</u>	
	Note	£	£	£	£
Net cash inflow from					
operating activities	19		113,454		719
Returns on investments and					
servicing of finance					
Interest received		9,442		7,629	
Interest paid		(11,079)		(9,731)	
Dividends paid		<u>(32,376)</u>		<u>(32,400)</u>	
Net cash outflow from					
investments and servicing of finance			(34,013)		(34,502)
Tax paid			(2,173)		(17,672)
Investing activities					
Purchase of fixed assets		(25,400)		(46,661)	
Purchase of investments		-		(1,260)	
Proceeds of sale of fixed assets		<u>1,300</u>		<u>19,550</u>	
Net cash outflow from					
investing activities			<u>(24,100)</u>		<u>(28,371)</u>
Net cash inflow/(outflow) before financing			53,168		(79,826)
Financing					
Loan repayments		(7,709)		(4,089)	
Loan advance		<u>20,000</u>		<u>20,000</u>	
Net cash inflow from financing			<u>12,291</u>		<u>15,911</u>
Increase/(Decrease) in cash					
& cash equivalents			<u>65,459</u>		<u>(63,915)</u>

WALTER AINSBURY AND SON LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 30 NOVEMBER 1995**1 ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

Basis of accounting

The accounts have been prepared in accordance with the historical cost convention and in accordance with section 228 of, and schedule 4 to, the Companies Act 1985. They have also been prepared in accordance with applicable Accounting Standards.

The effect of events relating to the year ended 30 November 1995 which occurred before the date of approval of the financial statements by the board of directors, have been included to the extent required to show a true and fair view of the state of affairs at 30 November 1995 and of the results for the year then ended.

Depreciation

Depreciation is provided on the cost of tangible fixed assets in order to write off such cost after taking account of scrap values over the expected useful lives as follows:-

Freehold Land & Buildings	Nil
Computer Equipment	25% straight line
Motor Vehicles	25% reducing balance
Fixtures & Fittings	20% reducing balance

Depreciation is not provided against the freehold property of the company, which is stated at cost. To the extent that buildings are not depreciated this policy is not in accordance with Statement of Standard Accounting Practice number 12.

Deferred Taxation

Deferred taxation is provided on the liability method in respect of all material timing differences to the extent that it is considered that a net liability may crystallise, calculated at the rate at which it is estimated that tax will be payable.

Leased Assets

Fixed assets leased under finance leases are capitalised and depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. The costs of operating leases are charged to the profit and loss account as they accrue.

**2 TURNOVER**

Turnover represents total commissions receiveable and policy changes fees.

WALTER AINSBURY AND SON LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 NOVEMBER 1995**3 OPERATING PROFIT/LOSS**

This is stated after charging or (crediting) the following:

	<u>1995</u>	<u>1994</u>
	£	£
Depreciation of tangible fixed assets - owned assets	22,228	25,173
-assets held under HP	6,250	-
Directors emoluments ( see note 4 )	154,888	173,391
Auditors' remuneration	4,994	4,994
Loss on sale of tangible fixed assets	357	390

**4 DIRECTORS' EMOLUMENTS**

	<u>1995</u>	<u>1994</u>
	£	£
Highest paid director	35,064	35,064
Other directors' emoluments	98,538	124,310
Other emoluments	10,286	14,017
Compensation for loss of office	11,000	-
	<u>154,888</u>	<u>173,391</u>

The emoluments of the directors, including the chairman and the highest paid director, was within the following ranges:

	<u>1995</u>	<u>1994</u>
	Number	Number
£ 5,001 - £ 10,000	-	1
£ 15,001 - £ 20,000	1	-
£ 20,001 - £ 25,000	1	1
£ 25,001 - £ 30,000	-	1
£ 35,001 - £ 40,000	2	2

**5 STAFF COSTS**

The average number of persons employed by the company including directors, during the year was as follows:

	<u>1995</u>	<u>1994</u>
	Number	Number
Direct	12	13
Administration	8	9

The aggregate payroll costs of these persons were as follows:

	<u>1995</u>	<u>1994</u>
	£	£
Salaries - Administration	200,072	197,682
Compensation Loss of office	11,000	-
Pension Contribution-Employees	1,304	1,305
Directors' Remuneration	121,665	142,292
	<u>334,041</u>	<u>341,279</u>

WALTER AINSBURY AND SON LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 NOVEMBER 1995

## 6 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1995</u>	<u>1994</u>
	£	£
Bank Deposit Interest	9,304	7,629
Corporation Tax Interest	<u>138</u>	<u>-</u>
	<u>9,442</u>	<u>7,629</u>

## 7 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1995</u>	<u>1994</u>
	£	£
Hire Purchase Interest	825	-
Mortgage Interest	2,103	2,155
Bank Charges & Interest	<u>8,151</u>	<u>7,576</u>
	<u>11,079</u>	<u>9,731</u>

## 8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1995</u>	<u>1994</u>
	£	£
Corporation tax at 25%	<u>9,514</u>	<u>(4,722)</u>

## 9 DIVIDENDS

	<u>1995</u>	<u>1994</u>
	£	£
Dividends on Ordinary Shares	<u>32,376</u>	<u>32,400</u>

## WALTER AINSBURY AND SON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 30 NOVEMBER 1995

## 10 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Computer Equipment	Motor Vehicles	Fixtures & Fittings	Total
	£	£	£	£	£
<u>Cost or Valuation</u>					
At 1 December 1994	68,493	65,036	57,084	79,045	269,658
Additions	-	-	25,000	400	25,400
Disposals	-	-	(9,294)	-	(9,294)
At 30 November 1995	<u>68,493</u>	<u>65,036</u>	<u>72,790</u>	<u>79,445</u>	<u>285,764</u>
<u>Depreciation</u>					
At 1 December 1994	-	44,026	32,498	50,514	127,038
Charge for the year	-	10,790	11,982	5,706	28,478
Depreciation on disposals	-	-	(7,637)	-	(7,637)
At 30 November 1995	<u>-</u>	<u>54,816</u>	<u>36,843</u>	<u>56,220</u>	<u>147,879</u>
<u>Net Book Amount</u>					
At 30 November 1995	<u>68,493</u>	<u>10,220</u>	<u>35,947</u>	<u>23,225</u>	<u>137,885</u>
At 1 December 1994	<u>68,493</u>	<u>21,010</u>	<u>24,586</u>	<u>28,531</u>	<u>142,620</u>

Included in net book value of the tangible fixed assets above are assets held under finance leases or hire purchase contracts to the value of £18,750 (1994 - £Nil).

## 11 FIXED ASSET INVESTMENTS

	Listed	Unlisted	Total
At 30 November 1994 and 1995	<u>-</u>	<u>1,260</u>	<u>1,260</u>

## 12 DEBTORS

	1995	1994
Trade debtors	92,255	110,975
Other debtors	-	14,622
Prepayments and accrued income	11,103	32,592
	<u>103,358</u>	<u>158,189</u>

## 13 CREDITORS: Amounts falling due within one year

	1995	1994
	£	£
Trade creditors	113,458	116,185
Corporation tax	3,520	-
Other taxation and social security	8,917	7,878
Hire Purchase & Lease Contracts	6,668	-
Accruals and deferred income	21,205	17,026
Bank loans and overdrafts	17,343	7,252
	<u>171,111</u>	<u>148,341</u>

## 14 CREDITORS: Amounts falling due after more than one year

	1995	1994
	£	£
Hire Purchase	8,332	-
Long Term Loans	71,319	74,028
	<u>79,651</u>	<u>74,028</u>

WALTER AINSBURY AND SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 1995

**15 BANK LOANS AND OVERDRAFTS**

	<u>1995</u>	<u>1994</u>
	£	£
<u>Falling due within one year</u>		
Bank overdraft	10,090	-
Building Society Mortgage	3,253	3,252
Bank Loan	4,000	4,000
	<u>17,343</u>	<u>7,252</u>
<u>Falling due between the second &amp; fifth years</u>		
Building Society Mortgage	13,008	13,008
Bank Loan - No. 2	16,000	16,000
	<u>29,008</u>	<u>29,008</u>
<u>Falling due after more than five years</u>		
Building Society Mortgage	8,297	9,231
Bank Loan - No. 2	34,014	35,789
	<u>42,311</u>	<u>45,020</u>
 Aggregate amounts	 <u>88,662</u>	 <u>81,280</u>

The building society mortgage is a capital and interest mortgage and is repayable in a period greater than five years. The mortgage is secured on the freehold property of the company. The rate of interest is variable as determined by the building society's lending rates. The rates charged during 1995 ranged between 7.99% and 8.09%. The 1996 payment calculation has been based on an interest rate of 7.54%.

The bank loan is secured by a charge over 77 Station Road, Swinton, Salford. The loan is repayable by September 2008. Interest on the loan is charged at 2.5% per annum above base rate subject to a minimum of 6.5% per annum.

**16 SHARE CAPITAL**

	<u>1995</u>	<u>1994</u>
	£	£
Authorised:		
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**17 RESERVES**

	<u>1995</u>	<u>1994</u>
	£	£
Capital Reserves	137	137
Revenue Reserves brought forward	202,851	239,209
(Loss) Retained	<u>(12,409)</u>	<u>(36,358)</u>
	<u>190,579</u>	<u>202,988</u>

**18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>1995</u>	<u>1994</u>
	£	£
Profit/(Loss) for the financial year	19,967	(3,958)
Dividends	<u>(32,376)</u>	<u>(32,400)</u>
Reduction in Shareholders' funds	<u>(12,409)</u>	<u>(36,358)</u>
Opening Shareholders' funds	202,851	239,209
Closing Shareholders' funds	<u>190,442</u>	<u>202,851</u>

WALTER AINSBURY AND SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 1995

**19 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<u>1995</u>	<u>1994</u>
	£	£
Operating profit/(loss)	31,118	(6,578)
Loss on sale of fixed assets	357	390
Depreciation	28,478	25,173
Decrease in debtors	51,009	29,237
Increase/(decrease) in creditors	<u>2,492</u>	<u>(47,503)</u>
Net cash inflow from operating activities	<u>113,454</u>	<u>719</u>

**20 ANALYSIS OF CHANGES IN CASH & CASH EQUIVALENTS DURING THE YEAR**

	<u>1995</u>	<u>1994</u>
	£	£
Balance at start of year	117,036	183,957
Net cash inflow/(outflow)	<u>65,459</u>	<u>(66,921)</u>
Balance at end of year	<u>182,495</u>	<u>117,036</u>

**21 ANALYSIS OF THE BALANCES OF CASH & CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET**

	<u>1995</u>	<u>1994</u>	<u>Change in year</u>
	£	£	£
Bank Deposit Account	189,678	115,040	74,638
Bank Account	-	1,923	(1,923)
Life & Pensions Bank Account	-	922	(922)
Night Watch Bank Account	-	6,028	(6,028)
Bank loans due within one year	(3,253)	(3,253)	-
Bank Loan	(4,000)	(4,000)	-
Petty Cash	<u>70</u>	<u>376</u>	<u>(306)</u>
	<u>182,495</u>	<u>117,036</u>	<u>65,459</u>

**22 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR**

	<u>1995</u>	<u>1994</u>
	£	£
Balance at 1 December 1994	81,280	65,369
Net cash inflow from financing	<u>12,291</u>	<u>15,911</u>
Balance at 30 November 1995	<u>93,571</u>	<u>81,280</u>

**23 CONTINGENT LIABILITIES**

The company has a contingent liability in respect of commission received on indemnity terms which may be claimed back if clients cancel policies. During the year clawbacks totalled £1,855.