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WALTER AINSBURY AND SON LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1994



WALTER AINSBURY AND SON LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1994

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WALTER AINSBURY AND SON LIMITED

DIRECTORS AND OFFICERS

FOR THE YEAR ENDED 30 NOVEMBER 1994

DIRECTORS	R. Hall (resigned 20.02.94) D. Bingham D.J. Palmer P. Edwards N.G. Minay
SECRETARY	P. Edwards
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 LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 30 November 1994.

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 £32,400

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 01.12.93 and 30.11.94	
R. Hall (resigned 20.02.94)	332	332
D. Bingham	333	333
D.J. Palmer	333	333
P. Edwards	1	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 LIMITED

REPORT OF THE DIRECTORS (Continued)

FIXED ASSETS

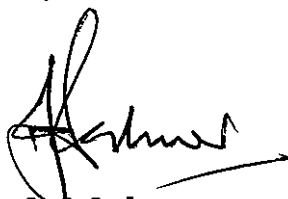
The changes in fixed assets during the year are summarised in note 10 to the financial statements.

The directors consider it inappropriate to provide for depreciation for its leasehold 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

A handwritten signature in dark ink, appearing to read 'D. J. Palmer', with a long horizontal flourish extending to the right.

D. J. Palmer
Director

Date. 18.5.95.....

WALTER AINSBURY AND SON LIMITED**REPORT OF THE AUDITORS TO THE SHAREHOLDERS**

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on 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 1994 and of its loss 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.....*18 May 1995*.....

WALTER AINSBURY AND SON LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 NOVEMBER 1994**

	Note	£	<u>1994</u>	£	£	<u>1993</u>	£
Turnover	2		542,683			571,910	
Gross Profit			542,683			571,910	
Administration Expenses		472,529			442,338		
Other Operating Charges		<u>76,732</u>			<u>81,884</u>		
			549,261			524,222	
Operating (Loss)/Profit	3		(6,578)			47,688	
Other Income	6		<u>7,629</u>			<u>18,200</u>	
			1,051			65,888	
Interest Payable & Similar Charges	7		<u>9,731</u>			<u>6,487</u>	
(Loss)/Profit on ordinary Activities			(8,680)			59,401	
Taxation on profit on ordinary activities	8		<u>(4,722)</u>			<u>17,430</u>	
(Loss)/Profit on ordinary activities after taxation			(3,958)			41,971	
Dividends	9		<u>32,400</u>			<u>40,832</u>	
Revenue Reserves For The Year			(36,358)			1,139	
Revenue Reserves Brought Forward			<u>239,209</u>			<u>238,070</u>	
Revenue Reserves Carried Forward			<u>202,851</u>			<u>239,209</u>	

Continuing Operations

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

Total Recognised Gains and Losses

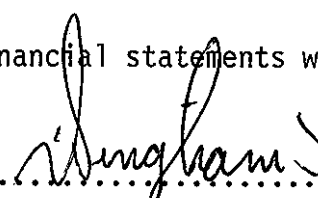
The company has no recognised gains or losses other than the profit or loss for the above two financial years.

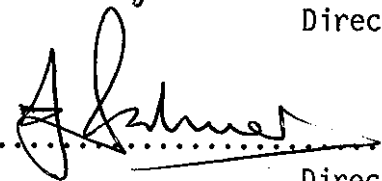
The notes on pages 8 to 14 form part of these financial statements.

WALTER AINSBURY AND SON LIMITEDBALANCE SHEET AT 30 NOVEMBER 1994

		<u>1994</u>		<u>1993</u>	
	Note	£	£	£	£
Fixed Assets					
Tangible Assets	10		142,620		141,072
Investments	11		<u>1,260</u>		<u>-</u>
			143,880		141,072
Current Assets					
Debtors	12	158,188		183,604	
Cash at bank		123,912		193,940	
Cash in hand		<u>376</u>		<u>139</u>	
		282,476		377,683	
Creditors					
Amounts falling due within one year	13	<u>148,340</u>		<u>217,286</u>	
Net Current Assets			<u>134,136</u>		<u>160,397</u>
Total Assets Less Current Liabilities			278,016		301,469
Creditors					
Amounts falling due after more than one year	14		<u>74,028</u>		<u>61,123</u>
Net Assets			<u>203,988</u>		<u>240,346</u>
Capital & Reserves					
Called up share capital	16		1,000		1,000
Reserves	17		<u>202,988</u>		<u>239,346</u>
			<u>203,988</u>		<u>240,346</u>

The financial statements were approved by the Board on 18/5/1995.

.....  D. Bingham
Director

.....  D.J. Palmer
Director

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

WALTER AINSBURY AND SON LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 30 NOVEMBER 1994**

		<u>1994</u>		<u>1993</u>	
	Note	£	£	£	£
Net cash inflow from operating activities	19		719		33,287
Returns on investments and servicing of finance					
Interest received		7,629		18,200	
Interest paid		(9,731)		(6,487)	
Dividends paid		<u>(32,400)</u>		<u>(40,832)</u>	
Net cash outflow from investments and servicing of finance			(34,502)		(29,119)
Tax paid			(17,672)		(20,954)
Investing activities					
Purchase of fixed assets		(46,661)		(74,799)	
Purchase of investments		(1,260)		-	
Proceeds of sale of fixed assets		<u>19,550</u>		<u>3,615</u>	
Net cash outflow from investing activities			(28,371)		(71,184)
Net cash outflow before financing			(79,826)		(87,970)
FINANCING					
Loan repayments		(4,089)		(2,106)	
Loan advance		<u>20,000</u>		<u>20,000</u>	
Net cash inflow from financing			<u>15,911</u>		<u>17,894</u>
(Decrease)/Increase in cash & cash equivalents			<u>(63,915)</u>		<u>(70,076)</u>

WALTER AINSBURY AND SON LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 30 NOVEMBER 1994**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 1994 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 1994 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 are stated at cost. To the extent that buildings are not depreciated this policy does not accord 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.

2 TURNOVER

Turnover represents total commissions receivable.

WALTER AINSBURY AND SON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 1994

3 OPERATING PROFIT/LOSS

This is stated after charging the following:

	1994 £	1993 £
Depreciation of tangible fixed assets	25,173	26,683
Directors emoluments (see note 4)	142,292	178,956
Auditors' remuneration	4,994	5,405
Loss on sale of tangible fixed assets	390	8,830

4 DIRECTORS' EMOLUMENTS

	1994 £	1993 £
Highest paid director	35,064	34,896
Other directors remuneration	93,211	116,032
Other emoluments	14,017	28,028
	<u>142,292</u>	<u>178,956</u>

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

	1994 Number	1993 Number
£ 5,001 - £ 10,000	1	-
£ 20,001 - £ 25,001	1	2
£ 25,001 - £ 30,000	1	-
£ 30,001 - £ 35,000	-	3
£ 35,001 - £ 40,000	2	-

5 STAFF COSTS

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

	1994 Number	1993 Number
Direct	13	13
Administration	9	9

The aggregate payroll costs of these persons were as follows:

	1994 £	1993 £
Salaries - Administration	197,682	171,283
Pension Contribution-Employees	1,305	-
Directors' Remuneration	142,292	178,956
	<u>341,279</u>	<u>350,239</u>

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	1994 £	1993 £
Bank Deposit Interest	7,629	18,200
	<u>7,629</u>	<u>18,200</u>

WALTER AINSBURY AND SON LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 30 NOVEMBER 1994**7 INTEREST PAYABLE AND SIMILAR CHARGES**

	<u>1994</u>	<u>1993</u>
	£	£
Mortgage Interest	2,155	2,271
Bank Charges & Interest	<u>7,576</u>	<u>4,216</u>
	<u>9,731</u>	<u>6,487</u>

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1994</u>	<u>1993</u>
	£	£
Corporation tax at 25%	(4,722)	18,573
In respect of prior years:-		
Corporation tax over provided	<u>-</u>	<u>(1,143)</u>
	<u>(4,722)</u>	<u>17,430</u>

9 DIVIDENDS

	<u>1994</u>	<u>1993</u>
	£	£
Dividends on Ordinary Shares	32,400	40,832

WALTER AINSBURY AND SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 1994

10 TANGIBLE FIXED ASSETS

	Land and Buildings	Computer Equipment	Motor Vehicles	Fixtures & Fittings	Total
	£	£	£	£	£
Cost or Valuation					
At 1 December 1993	58,096	59,727	103,759	55,087	276,669
Additions	10,397	5,309	6,997	23,958	46,661
Disposals	-	-	(53,672)	-	(53,672)
At 30 November 1994	<u>68,493</u>	<u>65,036</u>	<u>57,084</u>	<u>79,045</u>	<u>269,658</u>
Depreciation					
At 1 December 1993	-	34,182	58,034	43,381	135,597
Charge for the year	-	9,844	8,196	7,133	25,173
Depreciation on disposals	-	-	(33,732)	-	(33,732)
At 30 November 1994	<u>-</u>	<u>44,026</u>	<u>32,498</u>	<u>50,514</u>	<u>127,038</u>
Net Book Amount					
At 30 November 1994	<u>68,493</u>	<u>21,010</u>	<u>24,586</u>	<u>28,531</u>	<u>142,620</u>
At 1 December 1993	<u>58,096</u>	<u>25,545</u>	<u>45,725</u>	<u>11,706</u>	<u>141,072</u>

11 FIXED ASSET INVESTMENTS

	Listed	Unlisted	Total
	£	£	£
Additions	-	1,260	1,260
At 30 November 1994	<u>-</u>	<u>1,260</u>	<u>1,260</u>

12 DEBTORS

	1994	1993
	£	£
Trade debtors	110,975	138,881
Other debtors	10,800	11,334
Corporation tax	3,821	-
Prepayments and accrued income	32,592	33,389
	<u>158,188</u>	<u>183,604</u>

13 CREDITORS: Amounts falling due within one year

	1994	1993
	£	£
Trade creditors	116,185	170,319
Corporation tax	-	18,573
Other taxation and social security	7,878	8,609
Accruals and deferred income	17,025	9,663
Bank loans and overdrafts	7,252	10,122
	<u>148,340</u>	<u>217,286</u>

WALTER AINSBURY AND SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 1994

14 CREDITORS: Amounts falling due after more than
one year

	1994 £	1993 £
Long Term Loans (See note 16)	74,028	61,123
	<u>74,028</u>	<u>61,123</u>

15 BANK LOANS AND OVERDRAFTS

	1994 £	1993 £
<u>Falling due within one year</u>		
Bank Account	-	5,876
Mortgage Loan	3,252	1,579
Bank Loan	4,000	2,667
	<u>7,252</u>	<u>10,122</u>
<u>Falling due after more than one year</u>		
Mortgage Loan	22,239	24,749
Bank Loan	51,789	36,374
	<u>74,028</u>	<u>61,123</u>
Aggregate amounts	<u>81,280</u>	<u>71,245</u>

The bank loan is secured by a charge over 73 and 75 Station Road, Swinton, Salford. The loan is repayable by September 2008.

The mortgage loan is repayable in a period greater than five years.

16 SHARE CAPITAL

	1994 £	1993 £
Authorised:		
Ordinary shares of £1 each	1,000	1,000
Allotted and fully paid:		
Ordinary shares of £1 each	1,000	1,000

17 RESERVES

	1994 £	1993 £
Capital Reserves	137	137
Revenue Reserves brought forward	239,209	238,070
(Loss)/Profit Retained	(36,358)	1,139
	<u>202,988</u>	<u>239,346</u>

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £	1993 £
Profit for the financial year	(3,958)	41,971
Dividends	(32,400)	(40,832)
	<u>(36,358)</u>	<u>1,139</u>
Other recognised gains and losses relating to the year(net)	-	-
New share capital subscribed	-	-
Other movements in shareholders' funds	-	-
New addition to shareholders funds	(36,358)	1,139
Opening shareholders' funds	239,209	238,070
Closing shareholders' funds	<u>202,851</u>	<u>239,209</u>

WALTER AINSBURY AND SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 1994

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

	<u>1994</u>	<u>1993</u>
	£	£
Operating (loss)/profit	(6,578)	47,688
Loss on sale of assets	390	8,830
Depreciation	25,173	26,683
Decrease/(increase) in debtors	29,237	(18,838)
(Decrease)/increase in creditors	(47,503)	(31,076)
Net cash inflow from operating activities	<u><u>719</u></u>	<u><u>33,287</u></u>

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

	<u>1994</u>	<u>1993</u>
	£	£
Balance at start of year	188,203	258,279
Net cash (outflow)/inflow	(63,915)	(70,076)
Balance at end of year	<u><u>124,288</u></u>	<u><u>188,203</u></u>

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

	<u>1994</u>	<u>1993</u>	<u>Change</u>
	£	£	in year
			£
Bank Deposit Account	115,040	59,000	56,040
Money Market Account	-	130,547	(130,547)
Bank Account	1,923	(5,876)	7,799
Life & Pensions Bank Account	921	1,670	(749)
Night Watch Bank Account	6,028	2,723	3,305
Petty Cash	376	139	237
	<u><u>124,288</u></u>	<u><u>188,203</u></u>	<u><u>63,915</u></u>

22 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	<u>1994</u>	<u>1993</u>
	£	£
Balance at start of year	65,369	47,475
Net cash inflow from financing	15,911	17,894
Balance at 30 November 1994	<u><u>81,280</u></u>	<u><u>65,369</u></u>

WALTER AINSBURY AND SON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 1994

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 £1,540.