

HEDGES AND ROSE INSURANCE SERVICES LIMITED

FINANCIAL STATEMENTS

31ST MARCH 1997

Registered number: 02107770

GARETH JOHN & COMPANY

CHARTERED ACCOUNTANTS

Tonypandy



HEDGES AND ROSE INSURANCE SERVICES LIMITED  
FINANCIAL STATEMENTS  
for the year ended 31st March 1997

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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## HEDGES AND ROSE INSURANCE SERVICES LIMITED

## COMPANY INFORMATION

31st March 1997

Number 02107770

CHAIRMAN

Alan Rose

OTHER DIRECTORS

John Saunders  
Michael Jones

SECRETARY

John Long

REGISTERED OFFICE

Talbot House  
Talbot Green  
South Glamorgan

AUDITORS

Gareth John & Company  
Chartered Accountants  
Oxford House  
Dunraven Street  
Tonypandy  
Mid Glam

## HEDGES AND ROSE INSURANCE SERVICES LIMITED

## DIRECTORS' REPORT

31st March 1997

The directors present their report and the audited financial statements for the year ended 31st March 1997.

**Principal activity**

The principal activity of the company continues to be that of insurance brokerage.

**Directors**

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st March 1997 Ordinary shares	1st April 1996 Ordinary shares
Alan Rose	89	89
Michael Jones (appointed 1 October 1996)	11	11
John Saunders	-	-

**Auditors**

Gareth John & Company have agreed to offer themselves for re-appointment as auditors of the company.

**Small company exemptions**

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies.

Talbot House  
Talbot Green  
South Glamorgan

On behalf of the board

  
John Long  
Secretary

31.12.97

## HEDGES AND ROSE INSURANCE SERVICES LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

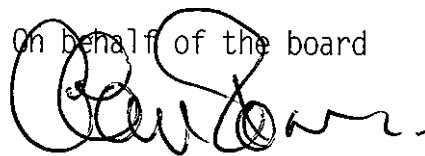
We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the board



Alan Rose  
Chairman

31.12.97

## HEDGES AND ROSE INSURANCE SERVICES LIMITED

## AUDITORS' REPORT

Auditors' report to the members of

Hedges and Rose Insurance Services Limited

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3, 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 error or other irregularity. 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 as at 31st March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

5 January 1998

Tonypandy

Gareth John & Company

Gareth John & Company  
Registered Auditors  
Chartered Accountants

## HEDGES AND ROSE INSURANCE SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 31st March 1997

	Note	1997 £	1996 £
Turnover	2	1,812,837	1,676,761
Cost of sales		(1,517,753)	(1,400,901)
Gross profit		295,084	275,860
Net operating expenses			
Distribution costs		(15,854)	(17,447)
Administrative expenses		(229,037)	(218,208)
Other operating income		8,294	7,080
Operating profit	3	58,487	47,285
Interest payable	5	(2,214)	(387)
Profit on ordinary activities before taxation		56,273	46,898
Taxation	6	(14,401)	(12,111)
Profit on ordinary activities after taxation		41,872	34,787
Dividends		(25,600)	(18,000)
Retained profit for the year	13	16,272	16,787

Movements in reserves are shown in note 13.

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

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

## HEDGES AND ROSE INSURANCE SERVICES LIMITED

## BALANCE SHEET

at 31st March 1997

	Note	£	1997 £	£	1996 £
<b>Fixed assets</b>					
Tangible assets	7		175,203		22,784
<b>Current assets</b>					
Debtors	8	141,145		69,380	
Cash at bank and in hand		191,625		139,344	
		<u>332,770</u>		<u>208,724</u>	
Creditors: amounts falling due within one year	9	(346,152)		(199,651)	
Net current (liabilities)/assets			(13,382)		9,073
Total assets less current liabilities			<u>161,821</u>		<u>31,857</u>
Creditors: amounts falling due after more than one year	10		(113,692)		-
			<u>48,129</u>		<u>31,857</u>
<b>Capital and reserves</b>					
Called up share capital	12		100		100
Profit and loss account	13		48,029		31,757
Total shareholders' funds	11		<u>48,129</u>		<u>31,857</u>

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 5 to 11 were approved by the board of directors on

Alan Rose  
Chairman

31.12.97



## HEDGES AND ROSE INSURANCE SERVICES LIMITED

## NOTES ON FINANCIAL STATEMENTS

31st March 1997

**1 Accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

**Depreciation**

Depreciation of fixed assets, other than Freehold Land and Buildings, is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Motor vehicles	25% Straight Line
Fixtures and fittings	20% Reducing Balance

No depreciation is provided on freehold land and buildings.

**Deferred taxation**

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

**2 Turnover**

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax.

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1996 nil)

## HEDGES AND ROSE INSURANCE SERVICES LIMITED

## NOTES ON FINANCIAL STATEMENTS

31st March 1997

## 3 Operating profit

	1997 £	1996 £
Operating profit is stated after crediting		
Interest receivable	8,294	7,080
and after charging		
Auditors' remuneration	2,056	2,056
Depreciation of tangible fixed assets (note 7)		
owned assets	6,827	5,696

## 4 Directors

	1997 £	1996 £
Directors' emoluments	51,259	32,334

## 5 Interest payable

	1997 £	1996 £
Interest payable	2,214	387

## 6 Taxation

	1997 £	1996 £
Corporation tax on profit on ordinary activities at 24% (1996 25%)	14,401	12,111

## HEDGES AND ROSE INSURANCE SERVICES LIMITED

## NOTES ON FINANCIAL STATEMENTS

31st March 1997

## 7 Tangible fixed assets

Cost or valuation	Total £
1st April 1996	36,890
Additions	159,247
31st March 1997	<u>196,137</u>
Depreciation	
1st April 1996	14,106
Charge for year	6,827
31st March 1997	<u>20,933</u>
Net book amount	
31st March 1997	<u>175,203</u>
1st April 1996	<u>22,784</u>

## 8 Debtors: Amounts falling due within one year

	1997 £	1996 £
Trade debtors	140,725	69,380
Other debtors	420	-
	<u>141,145</u>	<u>69,380</u>

## 9 Creditors: amounts falling due within one year

	1997 £	1996 £
Bank loans	8,349	5,142
Bank overdrafts	2,572	-
Trade creditors	262,530	167,395
Other creditors	72,281	27,114
	<u>345,732</u>	<u>199,651</u>

## HEDGES AND ROSE INSURANCE SERVICES LIMITED

## NOTES ON FINANCIAL STATEMENTS

31st March 1997

10 Creditors: amounts falling due  
after more than one year

	1997 £	1996 £
Bank loans	113,692	-
	<u>113,692</u>	<u>-</u>
Maturity of debt included above		
In one year or less, or on demand	-	-
In five years or more	<u>113,692</u>	<u>-</u>

## 11 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	41,872	34,787
Dividends	<u>(25,600)</u>	<u>(18,000)</u>
Net addition to shareholders' funds	16,272	16,787
Opening shareholders' funds	<u>31,857</u>	<u>15,070</u>
Closing shareholders' funds	<u>48,129</u>	<u>31,857</u>

## 12 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised, Ordinary shares of £1 each	<u>1000</u>	<u>1000</u>	<u>1000</u>	<u>1000</u>
Allotted called up and fully paid	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

## HEDGES AND ROSE INSURANCE SERVICES LIMITED

## NOTES ON FINANCIAL STATEMENTS

31st March 1997

## 13 Profit and loss account

	1997 £
1st April 1996	31,757
Retained profit for the year	16,272
31st March 1997	<u>48,029</u>

## 14 Directors' interests and loans

During the year, the Company acquired freehold property to the value of £90,000 from Mr. A. Rose at open market value.