

Heaton

Registration number 3110970

INK UNDERWRITING AGENCIES LIMITED

Directors' report and financial statements

for the year ended 31 October 2003



INK UNDERWRITING AGENCIES LIMITED

Company information

Directors	Mr P D Thomas Mrs L H Thomas
Secretary	Mr P D Thomas
Company number	3110970
Registered office	57a Broadway Leigh on Sea Essex SS9 1PE
Auditors	Buckley Watson 57a Broadway Leigh on Sea Essex SS9 1PE

INK UNDERWRITING AGENCIES LIMITED

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INK UNDERWRITING AGENCIES LIMITED

Directors' report for the year ended 31 October 2003

The directors present their report and the financial statements for the year ended 31 October 2003.

Principal activity and review of the business

The principal activity of the company continued to be that of a specialist contractor insurance agency.

Results and dividends

The results for the year are set out on page 4.

The directors recommend payment of a final dividend amounting to £100,000.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/10/03	01/11/02
Mr P D Thomas	70	70
Mrs L H Thomas	30	30

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Buckley Watson be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 14 May 2004 and signed on its behalf by


Mr P D Thomas
Secretary

INK UNDERWRITING AGENCIES LIMITED

Independent auditors' report to the shareholders of INK UNDERWRITING AGENCIES LIMITED

We have audited the financial statements of INK UNDERWRITING AGENCIES LIMITED for the year ended 31 October 2003 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

INK UNDERWRITING AGENCIES LIMITED

Independent auditors' report to the shareholders of INK UNDERWRITING AGENCIES LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Buckley Watson

**Buckley Watson
Registered auditors
14 May 2004**

**57a Broadway
Leigh on Sea
Essex**

SS9 1PE

INK UNDERWRITING AGENCIES LIMITED

Profit and loss account for the year ended 31 October 2003

		2003	2002
	Notes	£	£
Turnover	2	5,000,585	3,109,344
Administrative expenses		(4,591,322)	(2,960,732)
Operating profit	3	409,263	148,612
Other interest receivable and similar income	4	102,498	45,361
Profit on ordinary activities before taxation		511,761	193,973
Tax on profit on ordinary activities	7	(161,993)	(45,523)
Profit on ordinary activities after taxation		349,768	148,450
Dividends		(100,000)	(150,000)
Retained profit/(loss) for the year		249,768	(1,550)
Retained profit brought forward		76,482	78,032
Retained profit carried forward		<u>326,250</u>	<u>76,482</u>

The notes on pages 7 to 10 form an integral part of these financial statements.


INK UNDERWRITING AGENCIES LIMITED

Balance sheet as at 31 October 2003

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		125,897		133,516
Current assets					
Debtors	9	4,109,210		1,351,527	
Cash at bank and in hand		4,803,100		3,672,423	
		<u>8,912,310</u>		<u>5,023,950</u>	
Creditors: amounts falling due within one year	10	<u>(8,711,857)</u>		<u>(5,080,884)</u>	
Net current assets/(liabilities)			200,453		(56,934)
Net assets			<u>326,350</u>		<u>76,582</u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account			<u>326,250</u>		<u>76,482</u>
Shareholders' funds			<u>326,350</u>		<u>76,582</u>

The financial statements were approved by the Board on 14 May 2004 and signed on its behalf by

Mr P D Thomas
Director



The notes on pages 7 to 10 form an integral part of these financial statements.

INK UNDERWRITING AGENCIES LIMITED

Cash flow statement for the year ended 31 October 2003

	2003		2002	
	£	£	£	£
Cash generated from operations				
Operating profit	409,263		148,612	
Reconciliation to cash generated from operations:				
Depreciation	41,967		44,506	
(Increase) in trade debtors	(2,741,810)		(814,891)	
(Increase) in other debtors	(15,873)		(20,877)	
Increase in trade creditors	3,497,113		3,946,537	
Increase in other creditors	17,246		(560,027)	
		1,207,906		2,743,860
Cash from other sources				
Interest received	102,498		45,361	
		102,498		45,361
Application of cash				
Tax paid	(45,379)		(26,133)	
Dividends paid	(100,000)		(150,000)	
Purchase of tangible fixed assets	(34,348)		(101,591)	
		(179,727)		(277,724)
Net increase in cash in the year		1,130,677		2,511,497
Cash at bank and in hand less overdrafts at beginning of year		3,672,423		1,160,926
Cash at bank and in hand less overdrafts at end of year		4,803,100		3,672,423
Consisting of:				
Cash at bank and in hand		4,803,100		3,672,423

INK UNDERWRITING AGENCIES LIMITED

Notes to the financial statements for the year ended 31 October 2003

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

1.2. Turnover

Turnover represents commissions receivable on policies issued during the accounting period.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance

1.4. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.5. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	41,967	44,506
Auditors' remuneration	4,000	4,000
	<u>45,967</u>	<u>48,506</u>

4. Interest receivable and similar income

	2003	2002
	£	£
Bank interest	102,498	45,361
	<u>102,498</u>	<u>45,361</u>

INK UNDERWRITING AGENCIES LIMITED

Notes to the financial statements for the year ended 31 October 2003

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5. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2003	2002
Administration	<u>37</u>	<u>35</u>

Employment costs

	2003 £	2002 £
Wages and salaries (including employers NI of £215,477; 2002 £141,350)	1,958,884	1,273,608
Other pension costs	<u>3,616</u>	<u>3,016</u>
	<u>1,962,500</u>	<u>1,276,624</u>

5.1. Directors' emoluments

	2003 £	2002 £
Remuneration and other emoluments	<u>100,000</u>	<u>100,000</u>

6. Pension costs

The company operates a defined contribution pension scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £3,616 (2002 - £3,016).

7. Tax on profit on ordinary activities

Analysis of charge in period	2003 £	2002 £
UK corporation tax	162,045	45,431
Prior period adjustments	<u>(52)</u>	<u>92</u>
	<u>161,993</u>	<u>45,523</u>

INK UNDERWRITING AGENCIES LIMITED

Notes to the financial statements for the year ended 31 October 2003

..... continued

8. Tangible fixed assets	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost			
At 1 November 2002	177,926	54,050	231,976
Additions	13,378	20,970	34,348
At 31 October 2003	<u>191,304</u>	<u>75,020</u>	<u>266,324</u>
Depreciation			
At 1 November 2002	79,791	18,669	98,460
Charge for the year	27,878	14,089	41,967
At 31 October 2003	<u>107,669</u>	<u>32,758</u>	<u>140,427</u>
Net book values			
At 31 October 2003	<u>83,635</u>	<u>42,262</u>	<u>125,897</u>
At 31 October 2002	<u>98,135</u>	<u>35,381</u>	<u>133,516</u>

9. Debtors	2003	2002
	£	£
Trade debtors	4,072,460	1,330,650
Prepayments and accrued income	36,750	20,877
	<u>4,109,210</u>	<u>1,351,527</u>

10. Creditors: amounts falling due within one year	2003	2002
	£	£
Trade creditors	8,524,607	5,027,494
Corporation tax	162,045	45,431
Other taxes and social security costs	14,355	-
Directors' accounts	10,850	7,959
	<u>8,711,857</u>	<u>5,080,884</u>

INK UNDERWRITING AGENCIES LIMITED

Notes to the financial statements for the year ended 31 October 2003

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11. Share capital	2003	2002
	£	£
Authorised		
1,000.00 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100.00 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>