

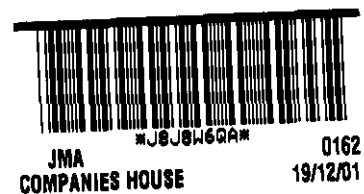
REG. NO. 2187897

**A. LETTON PERCIVAL & CO LIMITED**

**Report of the Directors and**

**Financial Statements for the year ended 31st May 2001**

The Priory Partnership  
Chartered Accountants  
Registered Auditors  
1 Abbots Quay  
Monks Ferry  
Birkenhead  
CH41 5LH



## **A. LETTON PERCIVAL & CO LIMITED**

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**A. LETTON PERCIVAL & CO LIMITED**

**Company Information  
for the year ended 31st May 2001**

**DIRECTORS:**

N A Leaver  
J D Leaver

**SECRETARY:**

J Mather

**REGISTERED OFFICE:**

7 Queen Avenue  
LIVERPOOL  
L2 4TZ

**REGISTERED NUMBER:**

2187897 (England and Wales)

**AUDITORS:**

The Priory Partnership  
Chartered Accountants  
Registered Auditors  
1 Abbots Quay  
Monks Ferry  
Birkenhead  
CH41 5LH

## A. LETTON PERCIVAL & CO LIMITED

### Report of the Directors for the year ended 31st May 2001

The directors present their report with the financial statements of the company for the year ended 31st May 2001.

#### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of general insurance brokers.

#### REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

#### DIVIDENDS

No dividends will be distributed for the year ended 31st May 2001.

#### DIRECTORS

The directors during the year under review were:

N A Leaver  
J D Leaver

The beneficial interests of the directors holding office on 31st May 2001 in the issued share capital of the company were as follows:

	31.5.01	1.6.00
<b>Ordinary shares £1 shares</b>		
N A Leaver	2,000	2,000
J D Leaver	1,200	1,200

#### DONATIONS

Donations made during the year amounted to £772 and were of a charitable nature.

#### STATEMENT OF 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;
- 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

The auditors, The Priory Partnership, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

#### ON BEHALF OF THE BOARD:



J Mather - SECRETARY

Dated: 19th November 2001

## **A. LETTON PERCIVAL & CO LIMITED**

### **Report of the Independent Auditors to the Shareholders of A. Letton Percival & Co Limited**

We have audited the financial statements of A. Letton Percival & Co Limited for the year ended 31st May 2001 on pages four to thirteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

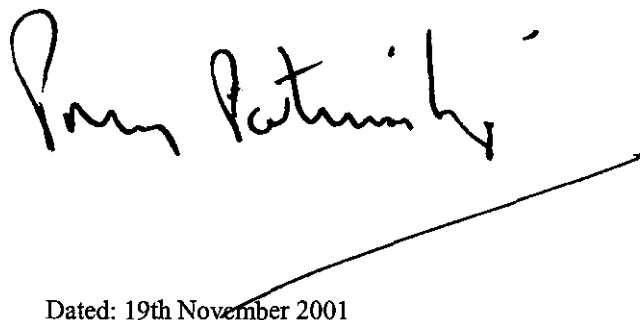
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The Priory Partnership  
Chartered Accountants  
Registered Auditors  
1 Abbots Quay  
Monks Ferry  
Birkenhead  
CH41 5LH



Dated: 19th November 2001

# A. LETTON PERCIVAL & CO LIMITED

## Profit and Loss Account for the year ended 31st May 2001

		2001	2000
	Notes	£	£
<b>TURNOVER</b>		<b>294,584</b>	244,060
Administrative expenses		<b>267,413</b>	240,956
		<b>27,171</b>	3,104
Other operating income		<b>60</b>	2,250
<b>OPERATING PROFIT</b>	3	<b>27,231</b>	5,354
Interest receivable and similar income		<b>6,475</b>	3,035
		<b>33,706</b>	8,389
Interest payable and similar charges	4	<b>1</b>	132
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>33,705</b>	8,257
Tax on profit on ordinary activities	5	<b>4,562</b>	1,804
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>29,143</b>	6,453
Retained profit brought forward		<b>25,029</b>	18,576
<b>RETAINED PROFIT CARRIED FORWARD</b>		<b>£54,172</b>	£25,029

### CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

### TOTAL RECOGNISED GAINS AND LOSSES

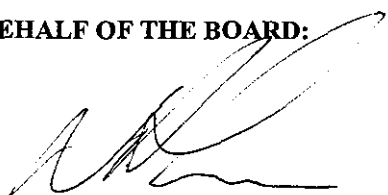
The company has no recognised gains or losses other than the profits for the current and previous years.

# A. LETTON PERCIVAL & CO LIMITED

## Balance Sheet 31st May 2001

		2001		2000	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	6		16,574		13,924
<b>CURRENT ASSETS:</b>					
Debtors	7	388,397		415,284	
Cash at bank and in hand		203,984		36,729	
		592,381		452,013	
<b>CREDITORS: Amounts falling due within one year</b>	8	530,023		409,057	
<b>NET CURRENT ASSETS:</b>			62,358		42,956
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			78,932		56,880
<b>CREDITORS: Amounts falling due after more than one year</b>	9		(18,462)		(25,553)
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	12		(1,298)		(1,298)
			£59,172		£30,029
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	13		5,000		5,000
Profit and loss account			54,172		25,029
<b>SHAREHOLDERS' FUNDS:</b>	16		£59,172		£30,029

ON BEHALF OF THE BOARD:



N A Leaver - DIRECTOR

Approved by the Board on 19th November 2001

**A. LETTON PERCIVAL & CO LIMITED**

**Cash Flow Statement  
for the year ended 31st May 2001**

		<u>2001</u>	<u>2000</u>
	Notes	£	£
<b>Net cash inflow from operating activities</b>	1	181,924	26,885
<b>Returns on investments and servicing of finance</b>	2	6,474	2,903
<b>Taxation</b>		(1,804)	(2,004)
<b>Capital expenditure</b>	2	(6,762)	(2,060)
		<u>179,832</u>	<u>25,724</u>
<b>Financing</b>	2	(10,988)	(4,905)
<b>Increase in cash in the period</b>		<u>£168,844</u>	<u>£20,819</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
<b>Increase in cash in the period</b>		<u>168,844</u>	<u>20,819</u>
<b>Change in net funds resulting from cash flows</b>		<u>168,844</u>	<u>20,819</u>
<b>Movement in net funds in the period</b>		<u>168,844</u>	<u>20,819</u>
<b>Net funds at 1st June</b>		<u>35,140</u>	<u>14,321</u>
<b>Net funds at 31st May</b>		<u>£203,984</u>	<u>£35,140</u>

The notes form part of these financial statements



# A. LETTON PERCIVAL & CO LIMITED

## Notes to the Cash Flow Statement for the year ended 31st May 2001

### 1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit	27,231	5,354
Depreciation charges	4,865	3,640
Profit on sale of fixed assets	(752)	-
Decrease/(Increase) in debtors	30,783	(169,433)
Increase in creditors	119,797	187,324
<b>Net cash inflow from operating activities</b>	<b>181,924</b>	<b>26,885</b>

### 2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2001 £	2000 £
<b>Returns on investments and servicing of finance</b>		
Interest received	6,475	3,035
Interest paid	(1)	(132)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>6,474</b>	<b>2,903</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(12,587)	(2,060)
Sale of tangible fixed assets	5,825	-
<b>Net cash outflow for capital expenditure</b>	<b>(6,762)</b>	<b>(2,060)</b>
<b>Financing</b>		
New loan taken out / (made)	(1,600)	-
Loan repayments in year	(7,091)	(4,905)
Loan repayments received	1,225	-
Amount withdrawn by directors	(3,522)	-
<b>Net cash outflow from financing</b>	<b>(10,988)</b>	<b>(4,905)</b>

# **A. LETTON PERCIVAL & CO LIMITED**

## **Notes to the Cash Flow Statement for the year ended 31st May 2001**

### **3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.6.00 £	Cash flow £	At 31.5.01 £
Net cash:			
Cash at bank and in hand	36,729	167,255	203,984
Bank overdraft	(1,589)	1,589	-
	<u>35,140</u>	<u>168,844</u>	<u>203,984</u>
 Total	 <u>35,140</u>	 <u>168,844</u>	 <u>203,984</u>
 <b>Analysed in Balance Sheet</b>			
 Cash at bank and in hand	 36,729		 203,984
Bank overdraft	(1,589)		-
	<u>35,140</u>		<u>203,984</u>

The notes form part of these financial statements

## A. LETTON PERCIVAL & CO LIMITED

### Notes to the Financial Statements for the year ended 31st May 2001

#### 1. ACCOUNTING POLICIES

##### Accounting convention

The financial statements have been prepared under the historical cost convention.

##### Turnover

Turnover represents commission and brokerage receivable and excludes VAT. Credit is taken when debit or fee notes are issued, irrespective of the inception date or period of insurance. Alterations in brokerage arising from return and additional premiums and adjustments are taken into account as and when these occur.

##### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 20% on reducing balance

##### Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

##### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

##### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

#### 2. STAFF COSTS

	2001	2000
	£	£
Wages and salaries	144,610	132,010
Social security costs	19,008	12,288
Other pension costs	1,053	1,020
	<u>164,671</u>	<u>145,318</u>

The average monthly number of employees during the year was as follows:

	2001	2000
Office and management	<u>8</u>	<u>8</u>

# A. LETTON PERCIVAL & CO LIMITED

## Notes to the Financial Statements for the year ended 31st May 2001

### 3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2001 £	2000 £
Hire of plant and machinery	501	729
Depreciation - owned assets	4,865	3,640
Profit on disposal of fixed assets	(752)	-
Auditors' remuneration	6,814	5,501
	<u>40,827</u>	<u>31,562</u>
Directors' emoluments	<u>40,827</u>	<u>31,562</u>

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank interest	1	132
	<u>1</u>	<u>132</u>

### 5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2001 £	2000 £
UK corporation tax	4,562	1,804
	<u>4,562</u>	<u>1,804</u>

UK corporation tax has been charged at 18.30% (2000 - 18.30%).

### 6. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
<b>COST:</b>				
At 1st June 2000	21,535	23,083	27,797	72,415
Additions	-	-	12,587	12,587
Disposals	-	(23,083)	-	(23,083)
At 31st May 2001	<u>21,535</u>	<u>-</u>	<u>40,384</u>	<u>61,919</u>
<b>DEPRECIATION:</b>				
At 1st June 2000	16,920	17,005	24,565	58,490
Charge for year	696	1,005	3,164	4,865
Eliminated on disposals	-	(18,010)	-	(18,010)
At 31st May 2001	<u>17,616</u>	<u>-</u>	<u>27,729</u>	<u>45,345</u>
<b>NET BOOK VALUE:</b>				
At 31st May 2001	<u>3,919</u>	<u>-</u>	<u>12,655</u>	<u>16,574</u>
At 31st May 2000	<u>4,615</u>	<u>6,078</u>	<u>3,231</u>	<u>13,924</u>

# **A. LETTON PERCIVAL & CO LIMITED**

## **Notes to the Financial Statements for the year ended 31st May 2001**

### **7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2001 £	2000 £
Insurance debtors	382,755	412,865
Other debtors	5,642	2,419
	<u>388,397</u>	<u>415,284</u>

### **8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2001 £	2000 £
Bank loans and overdrafts (see note 10)	-	1,589
Insurance creditors	496,438	397,638
Other creditors	21,952	4,337
Social security & other taxes	7,071	3,689
Taxation	4,562	1,804
	<u>530,023</u>	<u>409,057</u>

### **9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2001 £	2000 £
Other loans	<u>18,462</u>	<u>25,553</u>

The creditor, who is a former director has confirmed that this loan does not fall due for repayment within 36 months of the financial year.

### **10. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	2001 £	2000 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>1,589</u>

# A. LETTON PERCIVAL & CO LIMITED

## Notes to the Financial Statements for the year ended 31st May 2001

### 11. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2001 £	2000 £	2001 £	2000 £
Expiring:				
Within one year	-	-	-	1,419
In more than five years	12,631	12,776	486	-
	<u>12,631</u>	<u>12,776</u>	<u>486</u>	<u>1,419</u>

### 12. PROVISIONS FOR LIABILITIES AND CHARGES

	2001 £	2000 £
Deferred taxation	<u>1,298</u>	<u>1,298</u>

### 13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2001 £	2000 £
5,000	Ordinary shares	£1	<u>5,000</u>	<u>5,000</u>

### 14. TRANSACTIONS WITH DIRECTORS

The following loan to a director subsisted during the year ended 31st May 2001:

	£
<b>J D Leaver</b>	
Balance outstanding at start of year	-
Balance outstanding at end of year	3,521
Maximum balance outstanding during year	<u>4,225</u>

The above loan relates to the purchase by J D Leaver of a motor vehicle belonging to the company. The consideration amounted to £4,225 representing the market value of the vehicle concerned.

### 15. RELATED PARTY DISCLOSURES

The following transactions with related parties subsisted during the year :

Related Party	Transaction	Amount £	Balance outstanding £
D C Leaver	Part repayment of loan	7,091	18,462
Ferngrove Consultants Limited	Consultancy fees	29,796	-

Ferngrove Consultants is a company under the control of D C Leaver.

## A. LETTON PERCIVAL & CO LIMITED

### Notes to the Financial Statements for the year ended 31st May 2001

#### 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Profit for the financial year	29,143	6,453
<b>Net addition to shareholders' funds</b>	<b>29,143</b>	<b>6,453</b>
Opening shareholders' funds	30,029	23,576
<b>Closing shareholders' funds</b>	<b>59,172</b>	<b>30,029</b>
 Equity interests	 59,172	 30,029

#### 17. CONTROLLING PARTIES

The company is under the control of N A Leaver.