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RICHARD BOLTON (HOLDINGS) LIMITED

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTHS ENDED 30 APRIL 1990

J. R. GRIFFITH & CO.
CHARTERED ACCOUNTANTS

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RICHARD BOLTON (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

The Directors present their report with the audited financial statements for the thirteen months ended 30 April 1990

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was the provision of insurance brokerage, life insurance and pension policy services.

REVIEW OF THE BUSINESS

The company was incorporated on 1 April 1989 and commenced trading on that date.

A Summary of the results of the period's trading is given on Page 3 of the Financial Statements.

DIVIDENDS

The Directors do not recommend the payment of a dividend.

EVENTS SINCE THE END OF THE PERIOD AND FUTURE DEVELOPMENTS

There have been no significant events affecting the Group since the end of the period.

DIRECTORS

The Directors in office in the year and their beneficial interests in the issued ordinary share capital were as follows:

	Ordinary Shares of 50p Each
R. Bolton	21000
S. Astles	2000
M. Davis	2000
S. Hodgson	2000
M. Askew	2000

FIXED ASSETS

Acquisitions and disposals of fixed assets during the year are recorded in the Notes to the Financial Statements.

AUDITORS

Messrs. J. R. Griffith & Co., Chartered Accountants, have expressed their willingness to continue in office subject to the approval of Members in General Meeting in accordance with Section 384 of the Companies Act 1985.

REGISTERED OFFICE 1 Grafton Place, Grafton Street, Hyde, Cheshire, SK14 2AX.

DATE 1 November 1990

BY ORDER OF THE BOARD.
S. ASTLES.
SECRETARY.

REPORT OF THE AUDITORS TO THE MEMBERS OF

RICHARD BOLTON (HOLDINGS) LIMITED

We have audited the financial statements set out on Pages 3 to 13 in accordance with Auditing Standards.

In our opinion the financial statements, give a true and fair view of the state of the group's affairs at 30 April 1990 and the Profit and Source and Application of Funds for the period ended on that date and have been properly prepared in accordance with the Companies Act 1985.

J. R. GRIFFITH & CO.,
Chartered Accountants.

64/66 Park Lane,
Poynton,
Cheshire,
SK12 1RE.

1 November 1990

RICHARD BOLTON (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE THIRTEEN MONTHS ENDED 30 APRIL 1990

	Notes	£	£
TURNOVER	2		558707
Selling Costs		130980	
Administrative Expenses		306723	
Other Operating Costs		53927	
			491630
OPERATING PROFIT	3		67077
Interest Receivable			9685
			76762
Interest Payable	6		(53568)
PROFIT on ordinary activities before taxation			23194
TAXATION	7		(10131)
PROFIT on ordinary activities after taxation			£ 13063

The Notes on Pages 6 to 13 form part of these financial statements.

RICHARD BOLTON (HOLDINGS) LIMITED

CONSOLIDATED BALANCE SHEET - 30 APRIL 1990

	Notes	£	£
FIXED ASSETS			
Tangible Assets	9		778492
CURRENT ASSETS			
Debtors	10	358437	
Cash and Bank Balances		56034	
		414471	
CREDITORS: amounts falling due within one year	11	(619836)	
NET CURRENT LIABILITIES			(205365)
TOTAL ASSETS LESS CURRENT LIABILITIES			573127
CREDITORS: amounts falling due after more than one year:			
Hire Purchase Finance	12	(26759)	
Bank Loan	13	(478305)	(505064)
			£ 68063
CAPITAL AND RESERVES			
Called up Share Capital	14		25000
Profit and Loss Account			13063
Revaluation Reserve			30000
			£ 68063

The Notes on Pages 7 to 13 form part of these financial statements.

Signed and approved by the Board of Directors on 1 November 1990.

R. Bolton

S. Astles

M. Davis

S. Hodgson

M. Askew

RICHARD BOLTON (HOLDINGS) LIMITED

BALANCE SHEET - 30 APRIL 1990

	Notes	£	£
FIXED ASSETS			
Tangible Assets	9		727339
Investment in subsidiary companies			2000
			729339
CURRENT ASSETS			
Debtors	10	32427	
Cash and Bank Balances		273	
		32700	
CREDITORS: amounts falling due within one year	11	(224046)	
NET CURRENT LIABILITIES			(191346)
TOTAL ASSETS LESS CURRENT LIABILITIES			537993
CREDITORS: amounts falling due after more than one year:			
Hire Purchase Finance	12	(18457)	
Bank Loan	13	(478305)	(496762)
			£ 41231
CAPITAL AND RESERVES			
Called up Share Capital	14		25000
Profit and Loss Account			(13769)
Revaluation Reserve			30000
			£ 41231

The Notes on Pages 7 to 13 form part of these financial statements.

Signed and approved by the Board of Directors on 1 November 1990.

R. Bolton

S. Astles

M. Davis

S. Hodgson

M. Askew

RICHARD BOLTON (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE THIRTEEN MONTHS ENDED 30 APRIL 1990

	£	£
SOURCE OF FUNDS:		
Profit on ordinary activities before taxation		23194
Adjustment for items not involving the movement of funds:		
Depreciation	42224	
Loss on disposal of tangible fixed assets	794	
		43018
FUNDS GENERATED FROM OPERATIONS		66212
FUNDS FROM OTHER SOURCES		
Proceeds of Share Issue	25000	
Proceeds of disposal of tangible fixed assets	28769	
Increase in obligations under hire purchase contracts	26759	
		80528
		146740
APPLICATION OF FUNDS:		
Purchase of tangible fixed assets		(820279)
WORKING CAPITAL - DECREASE		£ (673539)
COMPONENTS OF INCREASE/(DECREASE) IN WORKING CAPITAL:		
Debtors		358437
Creditors		(503440)
Directors Loans		(52855)
		(197858)
MOVEMENT IN NET LIQUID FUNDS:		
Cash at Bank and in Hand	56034	
Bank Loans	(497426)	
Bank Overdraft	(34289)	(475681)
		£ (673539)

RICHARD BOLTON (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRTEEN MONTHS ENDED 30 APRIL 1990

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention which permits the inclusion of certain assets at a revaluation.

(b) Turnover

Turnover represents invoiced services.

(c) Depreciation

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

Fixtures and Fittings	15%
Motor Vehicles	25%

Depreciation is not provided on freehold land.

(d) 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.

(e) Consolidation

The consolidated financial statements have been drawn up under the acquisition method of accounting.

2. TURNOVER

The turnover and Profit before taxation is attributable to the one principal activity of the company.

3. THE OPERATING PROFIT IS ARRIVED AT AFTER CHARGING:

	£
Auditors Remuneration	3500
Hire of Equipment	1365
Depreciation	42224
Loss on Sale of Fixed Assets	794

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE THIRTEEN MONTHS ENDED 30 APRIL 1990

4. DIRECTORS REMUNERATION

Salaries as Director	£ 94998

The Directors Remuneration shown above (excluding pension contributions) include:

Chairman	£ 18958
Highest Paid Director	£ 19750

Other Directors received emoluments (excluding pension contributions) in the following ranges:

£15,001 to £20,000	3

5. STAFF COSTS

Wages and Salaries	133315
Social Security Costs	21890
	£ 155205

The average weekly number of employees during the period was as follows:

Office and management	5
Sales	15
	20

6. INTEREST PAYABLE

Loans not wholly repayable within five years	34870
Interest payable on Hire Purchase and Lease Purchase Agreements	12456
Bank Overdraft	6242
	£ 53568

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE THIRTEEN MONTHS ENDED 30 APRIL 1990

7. TAXATION

The Tax charge on the profit on ordinary activities for the period was as follows:

Corporation Tax at 25% based on the adjusted results of the period	£ 10131

8. INVESTMENTS

	Consolidated	Company
Shares in subsidiary companies at cost	-	2000

9. TANGIBLE FIXED ASSETS - CONSOLIDATED

	Freehold Land and Buildings £	Fixtures and Fittings £	Motor Vehicles £	Total £
COST				
Additions	602497	65581	152201	820279
Revaluation	30000	-	-	30000
Disposals	-	-	(40245)	(40245)
As at 30 April 1990	632497	65581	111956	810034
DEPRECIATION				
On Disposals	-	-	(10682)	(10682)
Charge for the period	-	10610	31614	42224
As at 30 April 1990	-	10610	20932	31542
NET BOOK VALUE				
As at 30 April 1990	632497	54971	91024	778492

The net book value of £91024 for Motor Vehicles relates to assets obtained under hire purchase contracts.

The freehold land and buildings were revalued by Chestertons, Chartered Surveyors, at an open market value of £260,000 on 18 July 1989 and as such have not been depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE THIRTEEN MONTHS ENDED 30 APRIL 1990

9. TANGIBLE FIXED ASSETS - COMPANY

	Freehold Land and Buildings £	Fixtures and Fittings £	Motor Vehicles £	Total £
COST				
Additions	602497	63480	79072	745049
Revaluation	30000	-	-	30000
Disposals	-	-	(29995)	(29995)
As at 30 April 1990	632497	63480	49077	745054
DEPRECIATION				
On Disposals	-	-	(6874)	(6874)
Charge for the period	-	10288	14301	24589
As at 30 April 1990	-	10288	7427	17715
NET BOOK VALUE				
As at 30 April 1990	632497	53192	41650	727339

The net book value of £41650 for Motor Vehicles relates to assets obtained under hire purchase contracts.

The freehold land and buildings were revalued by Chestertons, Chartered Surveyors, at an open market value of £260,000 on 18 July 1989 and as such have not been depreciated.

10. DEBTORS

	Consolidated	Company
Trade Debtors	327305	-
Other Debtors	15606	30865
Prepayments	15526	1562
	£ 358437	£ 32427

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE THIRTEEN MONTHS ENDED 30 APRIL 1990

11. CREDITORS: Amounts falling due within one year:

	Consolidated	Company
Bank Loans	19121	19121
Trade Creditors	356017	6756
Hire Purchase	43976	22370
Social Security and other taxes	17451	4702
Other Creditors	351	2000
Directors Loans	52855	52855
Accrued Expenses	85645	81122
Bank Overdrafts	34289	34289
Corporation Tax	10131	831
	£ 619836	£ 224046

The bank overdraft is secured by a legal charge over the freehold property at Grafton Street, Hyde.

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

Repayments under hire purchase contracts fall due as follows:

	Consolidated	Company
Within one year	43976	22370
Within two to five years	26759	18457
	£ 70735	£ 40827

13. BANK LOANS AND OVERDRAFTS

	Consolidated	Company
The aggregate amount of bank loans and overdrafts was as follows:		
(a) Falling due within one year:		
Bank Overdraft	34289	34289
Bank Loan - current position	19121	19121
	53410	53410
(b) Falling due after more than one year:		
Bank Loan - repayable within five years	210607	210607
- repayable after five years	267698	267698
	478305	478305

Interest on the bank loans is charged at the prevailing market rates.

14. CALLED UP SHARE CAPITAL

	Ordinary Shares of 50p Each	
	Number	£
Authorised	50000	25000
Issued and fully paid	50000	25000

During the period the company issued ordinary shares of nominal value of 50p each for cash of £25000 in order to provide the capital base of the company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE THIRTEEN MONTHS ENDED 30 APRIL 1990

15. SUBSIDIARY COMPANIES

Richard Bolton (Holdings) Limited has two wholly owned subsidiary companies, both incorporated in England, as follows:

1. Richard Bolton (Insurance Brokers) Limited

2. Richard Bolton (Life and Pensions) Limited

The total share capital of the above two companies was acquired on incorporation.

Group accounts have been prepared under the acquisition method of accounting.

The Acquisitions were as follows:

	Richard Bolton (Insurance Brokers) Limited	Richard Bolton (Life and Pensions) Limited
	£	£
Share Capital Acquired	1000	1000
Consideration Paid	1000	1000
Goodwill arising	-	-

16. PROFIT AND LOSS ACCOUNT

The company, Richard Bolton (Holdings) Limited, has taken advantage of the provisions of the Companies Act 1989 and has not prepared its own profit and loss account, of the consolidated attributable profit of £20,350, a loss of £3222 has been dealt with in the accounts of the company.