

SC 66751

**Report of the Directors and
Financial Statements
for the Year Ended 31 January 2002
for
Hamilton Leonard Insurance Brokers Ltd**



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Hamilton Leonard Insurance Brokers Ltd

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for the Year Ended 31 January 2002**

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Hamilton Leonard Insurance Brokers Ltd

**Company Information
for the Year Ended 31 January 2002**

DIRECTORS: F Leonard
A F Woodburn

SECRETARY: F Leonard

REGISTERED OFFICE: Sterling House
20 Renfield Street
Glasgow
G2 5AP

REGISTERED NUMBER: 66751 (Scotland)

AUDITORS: Campbell Dallas
Chartered Accountants
Registered Auditors
Campbell House
126 Drymen Road
Bearsden
Glasgow G61 3RB

Hamilton Leonard Insurance Brokers Ltd

Report of the Directors for the Year Ended 31 January 2002

The directors present their report with the financial statements of the company for the year ended 31 January 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Insurance Broking.

REVIEW OF BUSINESS

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

DIVIDENDS

An interim dividend of £10.00 per share was paid on 28 April 2001. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 January 2002 will be £10,000.

DIRECTORS

The directors during the year under review were:

F Leonard
A F Woodburn

The beneficial interests of the directors holding office on 31 January 2002 in the issued share capital of the company were as follows:

	31.1.02	1.2.01
Ordinary £1 shares		
F Leonard	600	600
A F Woodburn	200	200

DONATIONS

Charitable donations totalling £550 were made during the year.

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.

Hamilton Leonard Insurance Brokers Ltd

**Report of the Directors
for the Year Ended 31 January 2002**

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'F Leonard', is written over the printed name.

F Leonard - SECRETARY

Dated: 16 April 2002

Hamilton Leonard Insurance Brokers Ltd

**Report of the Independent Auditors to the Shareholders of
Hamilton Leonard Insurance Brokers Ltd**

We have audited the financial statements of Hamilton Leonard Insurance Brokers Ltd for the year ended 31 January 2002 on pages five to sixteen. 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 31 January 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Campbell Dallas
Chartered Accountants
Registered Auditors
Campbell House
126 Drymen Road
Bearsden
Glasgow G61 3RB

Dated:

16/4/02

Hamilton Leonard Insurance Brokers Ltd

**Profit and Loss Account
for the Year Ended 31 January 2002**

		2002	2001
	Notes	£	£
TURNOVER		402,301	359,054
Administrative expenses		369,439	337,276
OPERATING PROFIT	3	32,862	21,778
Interest receivable and similar income		2,805	1,633
		35,667	23,411
Interest payable and similar charges	4	5,026	3,380
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		30,641	20,031
Tax on profit on ordinary activities	5	5,753	5,467
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		24,888	14,564
Dividends	6	10,000	7,500
		14,888	7,064
Retained profit brought forward		47,447	40,383
RETAINED PROFIT CARRIED FORWARD		£62,335	£47,447

CONTINUING OPERATIONS

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

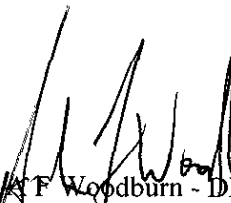
TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

Hamilton Leonard Insurance Brokers Ltd**Balance Sheet**
31 January 2002

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		62,278		54,709
CURRENT ASSETS:					
Debtors	9	267,238		44,718	
Cash at bank and in hand		127,431		248,944	
		394,669		293,662	
CREDITORS: Amounts falling due within one year	10	359,502		288,027	
NET CURRENT ASSETS:			35,167		5,635
TOTAL ASSETS LESS CURRENT LIABILITIES:			97,445		60,344
CREDITORS: Amounts falling due after more than one year	11		34,110		11,897
			£63,335		£48,447
CAPITAL AND RESERVES:					
Called up share capital	15		1,000		1,000
Profit and loss account			62,335		47,447
SHAREHOLDERS' FUNDS:	17		£63,335		£48,447

ON BEHALF OF THE BOARD:
K F Woodburn - DIRECTOR

Approved by the Board on 16 April 2002

The notes form part of these financial statements

Hamilton Leonard Insurance Brokers Ltd

**Cash Flow Statement
for the Year Ended 31 January 2002**

	Notes	2002		2001	
		£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(83,797)		244,544
Returns on investments and servicing of finance	2		(2,221)		(1,747)
Taxation			(4,018)		(3,020)
Capital expenditure	2		(31,605)		(12,832)
Equity dividends paid			(10,000)		(7,500)
			<u>(131,641)</u>		<u>219,445</u>
Financing	2		10,061		(6,177)
(Decrease)/Increase in cash in the period			<u><u>£(121,580)</u></u>		<u><u>£213,268</u></u>
Reconciliation of net cash flow to movement in net funds					
	3				
(Decrease)/Increase in cash in the period			(121,580)		213,268
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing			<u>(10,061)</u>		<u>6,179</u>
Change in net funds resulting from cash flows			<u>(131,641)</u>		<u>219,447</u>
Movement in net funds in the period			<u>(131,641)</u>		<u>219,447</u>
Net funds/(debt) at 1 February			<u>169,134</u>		<u>(50,313)</u>
Net funds at 31 January			<u><u>£37,493</u></u>		<u><u>£169,134</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 January 2002**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW
FROM OPERATING ACTIVITIES**

	2002 £	2001 £
Operating profit	32,862	21,778
Depreciation charges	16,894	13,970
Loss on sale of fixed assets	7,142	2,227
(Increase)/Decrease in debtors	(222,520)	190,309
Increase in creditors	81,825	16,260
	<u> </u>	<u> </u>
Net cash (outflow)/inflow from operating activities	<u>(83,797)</u>	<u>244,544</u>

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

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	2,805	1,633
Interest element of hire purchase payments	<u>(5,026)</u>	<u>(3,380)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(2,221)</u>	<u>(1,747)</u>
Capital expenditure		
Purchase of tangible fixed assets	(49,605)	(17,332)
Sale of tangible fixed assets	<u>18,000</u>	<u>4,500</u>
Net cash outflow for capital expenditure	<u>(31,605)</u>	<u>(12,832)</u>
Financing		
New loan taken out in year	49,605	16,995
Loan repayments in year	<u>(39,544)</u>	<u>(23,172)</u>
Net cash inflow/(outflow) from financing	<u>10,061</u>	<u>(6,177)</u>

The notes form part of these financial statements

Hamilton Leonard Insurance Brokers Ltd

**Notes to the Cash Flow Statement
for the Year Ended 31 January 2002**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.2.01 £	Cash flow £	At 31.1.02 £
Net cash:			
Cash at bank and in hand	248,944	(121,513)	127,431
Bank overdraft	(39,463)	(67)	(39,530)
	<u>209,481</u>	<u>(121,580)</u>	<u>87,901</u>
Debt:			
Hire purchase	(40,347)	(10,061)	(50,408)
	<u>(40,347)</u>	<u>(10,061)</u>	<u>(50,408)</u>
Total	<u>169,134</u>	<u>(131,641)</u>	<u>37,493</u>
Analysed in Balance Sheet			
Cash at bank and in hand	248,944		127,431
Bank overdraft	(39,463)		(39,530)
Hire purchase			
within one year	(28,450)		(16,298)
after one year	(11,897)		(34,110)
	<u>169,134</u>		<u>37,493</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 January 2002**

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents commission earned for the year. Commission is credited to profit when premium debits are raised against clients' accounts except in the case of Life and Pension commissions which are credited when commission is received.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

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

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

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

	2002	2001
	£	£
Wages and salaries	202,962	194,529
Social security costs	24,267	23,157
Other pension costs	12,804	9,720
	240,033	227,406

Hamilton Leonard Insurance Brokers Ltd

Notes to the Financial Statements for the Year Ended 31 January 2002

2. STAFF COSTS - continued

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

	2002	2001
Technical and Secretarial	<u>6</u>	<u>6</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2002 £	2001 £
Depreciation - owned assets	1,114	1,261
Depreciation - assets on hire purchase contracts	15,780	12,709
Loss on disposal of fixed assets	7,142	2,227
Auditors' remuneration	<u>5,000</u>	<u>5,000</u>
Directors' emoluments	<u>158,427</u>	<u>153,499</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
Hire purchase	<u>5,026</u>	<u>3,380</u>

5. TAXATION

Analysis of the tax charge

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

	2002 £	2001 £
Current tax:		
UK corporation tax	5,534	3,799
Under/(overprovision) in prior year	<u>219</u>	<u>98</u>
Total current tax	5,753	3,897
Deferred tax:		
Deferred taxation	<u>-</u>	<u>1,570</u>
Tax on profit on ordinary activities	<u>5,753</u>	<u>5,467</u>

UK corporation tax has been charged at 18% (2001 - 20%).

Hamilton Leonard Insurance Brokers Ltd

Notes to the Financial Statements for the Year Ended 31 January 2002

7. PENSION COMMITMENTS

The charge in the profit and loss account for the year to 31 January 2002 was £12804 (2001 £9720)

8. TANGIBLE FIXED ASSETS

	Fixtures and Fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1 February 2001	34,346	84,494	2,268	121,108
Additions	-	49,605	-	49,605
Disposals	-	(48,913)	-	(48,913)
At 31 January 2002	34,346	85,186	2,268	121,800
DEPRECIATION:				
At 1 February 2001	31,940	33,618	841	66,399
Charge for year	660	15,780	454	16,894
Eliminated on disposals	-	(23,771)	-	(23,771)
At 31 January 2002	32,600	25,627	1,295	59,522
NET BOOK VALUE:				
At 31 January 2002	1,746	59,559	973	62,278
At 31 January 2001	2,406	50,876	1,427	54,709

Notes to the Financial Statements
for the Year Ended 31 January 2002

8. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles
	£
COST:	
At 1 February 2001	84,493
Additions	49,605
Disposals	(48,913)
Transferred to ownership	(18,585)
At 31 January 2002	66,600
DEPRECIATION:	
At 1 February 2001	33,617
Charge for year	15,780
Eliminated on disposals	(23,771)
Transferred to ownership	(11,234)
At 31 January 2002	14,392
NET BOOK VALUE:	
At 31 January 2002	52,208
At 31 January 2001	50,876

9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade debtors	251,062	22,646
Other debtors	9,437	10,670
Prepayments & accrued income	6,739	11,402
	267,238	44,718

Hamilton Leonard Insurance Brokers Ltd

**Notes to the Financial Statements
for the Year Ended 31 January 2002**

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2001 £
Bank loans and overdrafts (see note 12)	39,530	39,463
Hire purchase contracts (see note 13)	16,298	28,450
Trade creditors	290,998	209,948
Social security & other taxes	7,142	6,367
Taxation	5,534	3,799
	<u>359,502</u>	<u>288,027</u>

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

	2002 £	2001 £
Hire purchase contracts (see note 13)	<u>34,110</u>	<u>11,897</u>

12. LOANS AND OVERDRAFTS

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

	2002 £	2001 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>39,530</u>	<u>39,463</u>

Notes to the Financial Statements
for the Year Ended 31 January 2002

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2002	2001
	£	£
Gross obligations repayable:		
Within one year	19,763	30,254
Between one and five years	35,262	12,869
	<u>55,025</u>	<u>43,123</u>
Finance charges repayable:		
Within one year	3,465	1,804
Between one and five years	1,152	972
	<u>4,617</u>	<u>2,776</u>
Net obligations repayable:		
Within one year	16,298	28,450
Between one and five years	34,110	11,897
	<u>50,408</u>	<u>40,347</u>

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

	Land and buildings operating leases	
	2002	2001
	£	£
Expiring:		
In more than five years	<u>8,813</u>	<u>8,225</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2002	2001
	£	£
Bank overdrafts	<u>39,530</u>	<u>39,463</u>

Bank borrowings are secured by a Floating Charge over the net free assets of the Company excluding funds held on behalf of Clients in a designated Insurance Broking Bank Account and also excluding all Insurance Debtors.

Hamilton Leonard Insurance Brokers Ltd

Notes to the Financial Statements for the Year Ended 31 January 2002

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002	2001
		£1	£	£
5,000	Ordinary		<u>5,000</u>	<u>5,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002	2001
		£1	£	£
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

16. RELATED PARTY DISCLOSURES

The company is under the control of Mr F Leonard who owns 60% of the share capital. There is a joint and several guarantee for £70,000 from Mr F Leonard and Mr A F Woodburn in respect of bank borrowings.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	24,888	14,564
Dividends	<u>(10,000)</u>	<u>(7,500)</u>
Net addition to shareholders' funds	14,888	7,064
Opening shareholders' funds	<u>48,447</u>	<u>41,383</u>
Closing shareholders' funds	<u>63,335</u>	<u>48,447</u>
Equity interests	<u>63,335</u>	<u>48,447</u>

Hamilton Leonard Insurance Brokers Ltd

Profit and Loss Account for the Year Ended 31 January 2002

	2002		2001	
	£	£	£	£
Income:				
Commissions		402,301		359,054
Other income:				
Bank interest		2,805		1,633
		<u>405,106</u>		<u>360,687</u>
Expenditure:				
Directors' remuneration	141,893		137,301	
Social security	17,894		16,656	
Pension contributions	11,604		9,120	
Wages	61,069		57,228	
Social security	6,373		6,501	
Pensions	1,200		600	
Telephone and postages	6,248		5,395	
Advertising and stationery	6,725		6,519	
Motor vehicle & travelling exp	47,738		37,423	
Repairs, renewals and cleaning	3,496		1,863	
Hire of equipment	780		1,498	
Sundry expenses	4,328		4,425	
Auditors remuneration	5,000		5,000	
Accountancy	5,845		5,516	
Subs & professional indemnity	7,225		8,937	
Legal & professional fees	176		423	
Rent, rates and insurance	12,900		12,523	
Property service charges	3,868		3,020	
		<u>344,362</u>		<u>319,948</u>
		60,744		40,739
Finance costs:				
Hire purchase	5,026		3,380	
Bank charges	1,041		1,131	
		<u>6,067</u>		<u>4,511</u>
		54,677		36,228
Depreciation:				
Fixtures & fittings	660		807	
Motor vehicles	15,780		12,709	
Computer equipment	454		454	
		<u>16,894</u>		<u>13,970</u>
Carried forward		37,783		22,258

This page does not form part of the statutory financial statements

Hamilton Leonard Insurance Brokers Ltd

**Profit and Loss Account
for the Year Ended 31 January 2002**

	2002		2001	
	£	£	£	£
Brought forward		37,783		22,258
Loss on disposal of fixed assets:				
Motor vehicles		7,142		2,227
NET PROFIT		<u>£30,641</u>		<u>£20,031</u>

This page does not form part of the statutory financial statements