

Registration Number 1916098

AMENDING DOCUMENTS.

INVESTMENT DISCOUNTS LIMITED  
DIRECTORS REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1995



INVESTMENT DISCOUNTS LIMITED

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INVESTMENT DISCOUNTS LIMITED

COMPANY INFORMATION

**DIRECTORS:** E.J. Hudson  
R.J. Patterson  
Mrs B.L. Selby (Appointed 1 October 1994)

**SECRETARY:** Mrs B.L. Selby

**COMPANY NUMBER:** 1916098

**REGISTERED OFFICE:** Miller House  
2, Church Road  
Bebington  
Wirral  
Merseyside  
L63 7PH

**AUDITORS:** Castell & Co.  
Fairlawn  
679, Chester Road  
Great Sutton  
South Wirral  
L66 2LN

**BANKERS:** Midland Bank plc  
58, Bromborough Village Road  
Bromborough  
Wirral  
Merseyside  
L62 7ET

INVESTMENT DISCOUNTS LIMITED

DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 1995

The Directors present their report and the Financial Statements for the year ended 30 September 1995.

**Principal Activity**

The Company's principal activity remained that of insurance consultants.

**Directors and their Interests**

The Directors who served during the year and their interests in the Company are as stated below:

	Class of shares	Number of shares	
		1995	1994
E.J. Hudson	Ordinary shares	400	450
R.J. Patterson	Ordinary shares	150	150
Mrs B.L. Selby (Appointed 1.10.94)	Ordinary shares	50	-

**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 based 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 Castell & Co. be reappointed as auditors of the Company will be put to the Annual General Meeting.

In the preparation of this report the Directors have taken advantage of the exemptions applicable to small companies as conferred by Part II of Schedule 8 of the Companies Act 1985.

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

.....  
E.J. Hudson  
Director

Date ..20/6/96.....

INVESTMENT DISCOUNTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF  
INVESTMENTS DISCOUNTS LIMITED

We have audited the Financial Statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

**Respective Responsibilities of Directors and Auditors**

As described on page 1 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 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. However, prior to 1 October 1994 there were inadequate systems of control over insurance renewal premium receipts and we were unable to obtain complete assurance regarding customer insurance renewal debtors £49885 and insurance renewal creditors £50408 appearing in the Balance Sheet at 30 September 1993, nor for customer insurance renewal debtors £91705 and insurance renewal creditors £71099 appearing in the Balance Sheet at 30 September 1994. Any adjustment to these figures would have a consequential effect on the profit or loss in this and earlier years.

In forming our opinion we have evaluated the overall adequacy of the presentation of information in the Financial Statements, including the Company's ability to continue trading. As shown in the Financial Statements total liabilities exceeded total assets by £38159. This matter is discussed in note 14. Our opinion is not qualified in this respect.

**Opinion**

Except for any adjustments that might have been necessary to the comparative figures for debtors and creditors and the consequential effect on profit or loss, in our opinion the Financial Statements give a true and fair view of the state of the company's affairs as at 30 September 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

*Castell & Co.*

Castell & Co.  
Registered Auditors  
Fairlawn  
679, Chester Road  
Great Sutton  
South Wirral  
L66 2LN

Date: *21/6/96*.....

INVESTMENT DISCOUNTS LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1995

		Continuing operations	
	NOTE	1995	1994
		£	£
Turnover	2	212204	230572
Administrative expenses		(268534)	(191418)
		-----	-----
Operating (loss)/profit	3	(56330)	39154
Interest receivable and similar income		15	118
Interest payable and similar charges	4	(2188)	(1996)
		-----	-----
(Loss)/profit on ordinary activities before taxation		(58503)	37276
Tax on profit on ordinary activities	6	7571	(7434)
		-----	-----
Retained profit for the year		(50932)	29842
Retained profit/(loss) brought forward		11773	(18069)
		-----	-----
Retained (loss)/profit carried forward		(39159)	11773
		=====	=====

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 30 SEPTEMBER 1995

		1995	1994
		£	£
Total recognised gains and losses relating to the year		(38932)	29842
		-----	-----
Prior year adjustment	15	(12000)	
		-----	
Total gains and losses recognised since last annual report		(50932)	
		=====	

The notes on pages 5 to 9 form an integral part of these Financial Statements.

**INVESTMENT DISCOUNTS LIMITED**  
**BALANCE SHEET**  
**AT 30 SEPTEMBER 1995**

	NOTES	1995		1994	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	7		47930		51769
<b>Current Assets</b>					
Stock		450		300	
Debtors	8	85031		96098	
Cash at bank and in hand		17311		7105	
		-----		-----	
			102792		103503
<b>Creditors: Amounts falling due within one year</b>	9	(183843)		(128292)	
		-----		-----	
<b>Net Current Liabilities</b>			(81051)		(24789)
			-----		-----
<b>Total Assets Less Current Liabilities</b>			(33121)		26980
<b>Creditors: Amounts falling due after more than one year</b>	10		(5038)		(14207)
			-----		-----
<b>Net (Liabilities)/Assets</b>			(38159)		12773
			=====		=====
<b>Capital and Reserves</b>					
Called up share capital	11		1000		1000
Profit and loss account			(39159)		11773
			-----		-----
<b>Equity Shareholders' Funds</b>	12		(38159)		12773
			=====		=====

In preparing these Financial Statements:

- (1) the Company has claimed exemptions under Part I of Schedule 8 to the Companies Act 1985
- (2) in the opinion of the Directors the Company is entitled to these exemptions as a small company.

The Financial Statements were approved by the Board and signed on its behalf by

.....  
E.J. HUDSON  
DIRECTOR

Date 20/6/96.....

The notes on pages 5 to 9 form an integral part of these Financial Statements.

INVESTMENT DISCOUNTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1995

**1. ACCOUNTING POLICIES**

**1.1 Accounting convention**

The Financial Statements are prepared under the historical cost convention and include the results of the Company's operations which are described in the Directors' Report and all of which are continuing. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

**1.2 Turnover**

Turnover comprises the invoiced value of services supplied by the Company.

**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:

Computer equipment and software	- 25% Reducing balance
Fixtures, fittings and equipment	- 10% Reducing balance
Motor vehicles	- 25% Reducing balance

**1.4 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

**1.5 Stock**

Stock is valued at the lower of cost and net realisable value.

**1.6 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.

**1.7 Comparative figures**

Comparisons for 1994 have been restated in accordance with current year disclosure policies.

**2. TURNOVER**

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



INVESTMENT DISCOUNTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1995

3.	<u>OPERATING (LOSS)/PROFIT</u>	1995	1994
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible assets	12446	10505
	Leasing of equipment	1911	3959
	Auditors' remuneration and crediting:	7678	1413
	Profit on disposal of fixed assets	-	(324)
		<u>          </u>	<u>          </u>
4.	<u>INTEREST PAYABLE AND SIMILAR CHARGES</u>	1995	1994
		£	£
	Bank interest	1	5
	Hire purchase interest	2187	1991
		<u>          </u>	<u>          </u>
		2188	1996
		<u>          </u>	<u>          </u>
5.	<u>DIRECTORS' EMOLUMENTS</u>	1995	1994
		£	£
	Directors' Remuneration	38200	25200
	Directors' Benefits	7414	4348
	Pension Scheme Contributions	569	-
		<u>          </u>	<u>          </u>
		46183	29548
		<u>          </u>	<u>          </u>
6.	<u>TAXATION</u>	1995	1994
		£	£
	UK corporation tax at 25% (1994 - 25%)	(7018)	9014
	Prior year adjustment (see note 15)	(3000)	-
		<u>          </u>	<u>          </u>
		(10018)	9014
	Prior years corporation tax	-	(1580)
		<u>          </u>	<u>          </u>
		(10018)	7434
	Transfer to deferred taxation	2447	-
		<u>          </u>	<u>          </u>
		(7571)	7434
		<u>          </u>	<u>          </u>

**INVESTMENT DISCOUNTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 1995**

**7. TANGIBLE ASSETS**

	Motor vehicles	Office equipment	Computers and software	Total
Cost	£	£	£	£
At 1 October 1994	37390	19536	18599	75525
Additions	-	1125	7482	8607
	-----	-----	-----	-----
At 30 September 1995	37390	20661	26081	84132
	-----	-----	-----	-----
Depreciation				
At 1 October 1994	9030	6093	8633	23756
Charge for the year	7340	1376	3730	12446
	-----	-----	-----	-----
At 30 September 1995	16370	7469	12363	36202
	-----	-----	-----	-----
Net book values				
At 30 September 1995	<u>21020</u>	<u>13192</u>	<u>13718</u>	<u>47930</u>
	-----	-----	-----	-----
At 30 September 1994	<u>28360</u>	<u>13443</u>	<u>9966</u>	<u>51769</u>

Included above are assets held under finance leases or hire purchase contracts amounting to £21020 (1994 - £28360)

**8. DEBTORS**

	1995	1994
	£	£
Trade debtors	72903	91705
Other debtors	3428	3428
Prepayments and accrued income	2909	965
Corporation tax	5791	-
	-----	-----
	<u>85031</u>	<u>96098</u>

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

	1995	1994
	£	£
Bank overdraft	-	10112
Trade creditors	132131	71099
Other creditors	41702	43651
Accruals and deferred income	7563	3430
Deferred taxation	2447	-
	-----	-----
	<u>183843</u>	<u>128292</u>

Included in other creditors is an amount of £7022 (1994 £11025) relating to other taxes and Social Security.

INVESTMENT DISCOUNTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1995

10. <u>CREDITORS: AMOUNTS FALLING DUE</u> <u>AFTER MORE THAN ONE YEAR</u>	1995 £	1994 £
Net obligations under finance leases and hire purchase contracts	5038	14207
	<u>5038</u>	<u>14207</u>
11. <u>SHARE CAPITAL</u>	1995 £	1994 £
Authorised equity 1000 Ordinary shares of £1 each	1000	1000
Allotted, called up and fully paid equity 1000 Ordinary shares of £1 each	1000	1000
12. <u>RECONCILIATION OF MOVEMENTS IN</u> <u>SHAREHOLDERS' FUNDS</u>	1995 £	1994 £
(Loss)/profit for the year	(50932)	29842
Opening shareholders' funds	12773	(17069)
	<u>(38159)</u>	<u>12773</u>
13. <u>TRANSACTIONS WITH DIRECTORS</u>	Amount Outstanding 1995	Maximum in year
	£	£
R.J. Patterson	<u>3428</u>	<u>3428</u>

INVESTMENT DISCOUNTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1995

14. NET LIABILITIES

At 30 September 1995 the liabilities of the Company exceeded the assets by £38159. As a result of this the Company has implemented a programme of staff cut backs and overhead reductions which they believe will lead to a position of solvency being restored.

15. PRIOR YEAR ADJUSTMENT

The Financial Statements for 1995 have been restated to correct an error in the posting of fee income made in 1994. The effect of the restatement was to decrease profit for the 1995 financial year by £12000. The opening balance of retained profit for 1995 has been adjusted for the effects of the restatement on prior years.

	<u>1995</u>
	£
Beginning of the year as previously stated	11773
Prior year adjustment	(12000)
	————
Beginning of the year as restated	(227)
Retained loss for the year	(38932)
	————
End of year	<u>(39159)</u>

16. POST BALANCE SHEET EVENTS

From 1 June 1996 the business of Box Insurance Services, acquired 1 January 1995, was disposed of to Mr D. Box whose appointment as consultant to the Company had been terminated.