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Astorhold Limited

Report and Accounts

30 June 1999

 ERNST & YOUNG


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COMPANIES HOUSE 26/04/00

Astorhold Limited

Registered Number: 2660256

DIRECTORS

C P Baldwin
R D H Munro
M I Davis

SECRETARY

R D H Munro

AUDITORS

Ernst & Young
100 Barbirolli Square
Manchester
M2 3EY

BANKERS

National Westminster Bank PLC
23 Stamford New Road
Altrincham
Cheshire
WA14 1DB

REGISTERED OFFICE

The Courtyard
Hall Lane
Wincham
Cheshire
CW9 6DG

 ERNST & YOUNG

Astorhold Limited

DIRECTORS' REPORT

The directors present their report and group accounts for the year ended 30 June 1999.

RESULTS AND DIVIDENDS

The group trading profit for the year after taxation was £255,887 (1998: £224,587). The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITY

The company continued to act as a holding company throughout the year.

DIRECTORS AND THEIR INTERESTS

The directors at 30 June 1999 and their interests in the share capital of the company were as follows:

	<i>B shares of £1 each</i>		<i>A shares of 2p each</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>
C P Baldwin	-	-	2,550	2,501
R D H Munro	33,000	13,000	-	-
M I Davis	-	-	-	-


YEAR 2000

The directors have taken steps to ensure the matter of year 2000 compliance is considered. A programme to investigate and confirm compliance of in-house equipment has been completed.

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

By order of the board


R D H Munro
Secretary

Date: 19 April 2000

Astorhold Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the group and of the company and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS
to the members of Astorhold Limited**

We have audited the accounts on pages 6 to 18, which have been prepared under the historical cost convention and the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts in accordance with United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities as independent auditors are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.


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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 30 June 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Registered Auditor
Manchester

Date: 25/4/00

Astorhold Limited

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1999

	<i>Note</i>	<i>1999</i> £	<i>1998</i> £
TURNOVER	2	3,407,945	2,864,300
Administrative expenses		(3,161,414)	(2,653,133)
OPERATING PROFIT	3	246,531	211,167
Interest receivable	6	28,591	28,174
Interest payable	7	(19,235)	(8,840)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		255,887	230,501
Tax on profit on ordinary activities	8	-	(5,914)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	255,887	224,587

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no other gains and losses in the year ended 30 June 1999 or the year ended 30 June 1998 other than reported above.

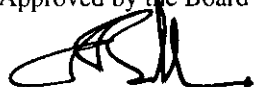
Astorhold Limited

GROUP BALANCE SHEET

as at 30 June 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible assets	10	539,751	407,911
CURRENT ASSETS			
Debtors	12	1,161,703	841,349
Cash at bank and in hand	16(b)	1,152,333	398,988
		2,314,036	1,240,337
CREDITORS: amounts falling due within one year	13	(1,788,245)	(1,014,636)
NET CURRENT ASSETS		525,791	225,701
TOTAL ASSETS LESS CURRENT LIABILITIES		1,065,542	633,612
CREDITORS: amounts falling due after more than one year	14	(117,139)	(26,277)
ACCRUALS AND DEFERRED INCOME			
Deferred revenue		(421,357)	(336,176)
		527,046	271,159
CAPITAL AND RESERVES			
Called up share capital	17,18	842,354	842,354
Share premium	18	24,451	24,451
Profit and loss account	18	(339,759)	(595,646)
Shareholders' funds		527,046	271,159

Approved by the Board on 19 April 2000



C P Baldwin

Director



R D H Munro

Director

Astorhold Limited

COMPANY BALANCE SHEET

as at 30 June 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Investments	11	939,108	939,108
CURRENT ASSETS			
Debtors	12	20,000	20,000
		20,000	20,000
CREDITORS: amounts falling due within one year	13	(96,293)	(96,009)
NET CURRENT LIABILITIES		(76,293)	(76,009)
TOTAL ASSETS LESS CURRENT LIABILITIES		862,815	863,099
CAPITAL AND RESERVES			
Called up share capital	17,18	842,354	842,354
Share premium	18	24,451	24,451
Profit and loss account	18	(3,990)	(3,706)
Shareholders' funds		862,815	863,099

Approved by the Board on 19 April 2000



C P Baldwin Director



R D H Munro Director

Astorhold Limited

GROUP STATEMENT OF CASH FLOWS
for the year ended 30 June 1999

		1999 £	1998 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	3(b)	928,002	(920,929)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		28,591	28,174
Interest paid		-	(756)
Interest on hire purchase and finance lease contracts		(19,235)	(8,084)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		9,356	19,334
TAXATION			
Corporation tax paid		(5,914)	-
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(108,612)	(169,049)
Receipts from sale of tangible fixed assets		39,061	35,832
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(69,551)	(133,217)
FINANCING			
Capital repayments of finance leases and hire purchase contracts		(108,832)	(12,111)
NET CASH OUTFLOW FROM FINANCING		(108,832)	(12,111)
INCREASE/(DECREASE) IN CASH	16	753,061	(1,046,923)

MAJOR NON-CASH TRANSACTIONS:

During the year the group entered into finance lease arrangements and hire purchase contracts with a total capital value at the inception of the leases of £269,156.

NOTES TO THE ACCOUNTS

as at 30 June 1999

1. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of Astorhold Limited and its subsidiaries made up to 30 June 1999. No profit and loss account is presented for Astorhold Limited as permitted by S230 (1) of the Companies Act 1985.

Commission and fees

Commission and fees are brought into account on the date when the business is written.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset based on prices prevailing at the date of acquisition, over its expected useful life as follows:

Short leasehold property	- over the life of the lease	-
Motor vehicles	- 20% straight line	
Computer equipment	- 10% - 25% straight line	
Fixtures, fittings and office equipment	- 10% - 25% straight line	

Leasing and hire purchase contracts

Assets held under hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which is anticipated the timing differences will reverse.

Pensions

The group operates a defined contribution pension scheme. The group also makes contributions to selected individuals' personal pension schemes. Contributions are charged to the profit and loss account as they become payable.

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 1999

2. TURNOVER

Turnover for the subsidiary Private Medicine Intermediaries Limited represents commissions and fees earned via insurance premium contracts. For the subsidiary Corporate Medical Management Limited turnover is recognised evenly over the life of a contract to ensure that the revenue recognised fairly matches the costs incurred in servicing those contracts and is stated net of value added tax. Turnover is derived entirely from operations within the United Kingdom.

3. OPERATING PROFIT

(a) This is stated after charging:

	1999 £	1998 £
Auditors' remuneration - audit services	20,000	19,500
Operating leases - land and buildings	80,080	75,000
Depreciation of owned assets	145,825	134,061
Depreciation of assets held under hire purchase and finance leases	55,966	33,922
Loss on sale of tangible fixed assets	5,076	4,207

(b) Reconciliation of operating profit to net cash inflow from operating activities.

	1999 £	1998 £
Operating profit	246,531	211,167
Depreciation	201,791	167,983
Loss on disposal of tangible fixed assets	5,076	4,207
Increase in debtors	(320,354)	(137,433)
Increase/(decrease) in creditors	709,777	(1,176,660)
Increase in deferred revenue	85,181	9,807
Net cash inflow from operating activities	928,002	(920,929)

4. DIRECTORS' REMUNERATION

	1999 £	1998 £
Emoluments	58,881	54,649
Pension contributions	5,625	2,000
	64,506	56,649

5. STAFF COSTS

Aggregate staff costs were as follows:

	1999 £	1998 £
Wages and salaries	1,767,938	1,407,072
Social security costs	155,096	136,055
Other pension costs	52,197	4,599
	1,975,231	1,547,726

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 1999

5. STAFF COSTS (continued)

The average number of persons employed by the group (including directors) during the year was as follows:

	1999 <i>No</i>	1998 <i>No</i>
Management and administration	63	49
Sales staff	13	14
Medical staff	18	18
	<u>94</u>	<u>81</u>

6. INTEREST RECEIVABLE

	1999 £	1998 £
Bank interest	28,591	28,174
	<u>-</u>	<u>-</u>

7. INTEREST PAYABLE

	1999 £	1998 £
Hire purchase and finance lease contracts	19,235	8,084
Bank overdrafts	-	756
	<u>19,235</u>	<u>8,840</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
Based on results for the year:		
Corporation tax	-	5,914
	<u>-</u>	<u>5,914</u>

There is no tax charge in the current year. The group has tax losses of approximately £467,000 to carry forward for offset against future profits arising from the same trade.

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY

	1999 £	1998 £
Dealt with in the accounts of the holding company	(284)	(41)
Retained by subsidiary companies	256,171	224,628
	<u>255,887</u>	<u>224,587</u>

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 1999

10. TANGIBLE FIXED ASSETS

	<i>Short lease property</i>	<i>Computer equipment</i>	<i>Motor vehicles</i>	<i>Fixtures, fittings and equipment</i>	<i>Total</i>
	£	£	£	£	£
<i>Group</i>					
Cost:					
At 1 July 1998	25,809	297,437	160,803	234,340	718,389
Additions	-	88,522	269,156	20,090	377,768
Disposals	-	(6,399)	(82,226)	(588)	(89,213)
At 30 June 1999	25,809	379,560	347,733	253,842	1,006,944
Depreciation:					
At 1 July 1998	4,059	125,835	62,048	118,536	310,478
Charge for the year	2,088	82,934	55,966	60,803	201,791
Disposals	-	(1,603)	(43,473)	-	(45,076)
At 30 June 1999	6,147	207,166	74,541	179,339	467,193
Net book value:					
At 30 June 1999	19,662	172,394	273,192	74,503	539,751
At 30 June 1998	21,750	171,602	98,755	115,804	407,911

Included in the net book value for group tangible fixed assets is the following amount relating to assets acquired under finance leases and hire purchase contracts £273,192 (1998: £98,755).

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 1999

11. INVESTMENTS

Investments in subsidiary undertakings:

	£
Cost:	
At 1 July 1998 and 30 June 1999	939,108

Subsidiary undertakings

Name of company	<i>Profit/(loss) for year to 30 June 1999</i> £	<i>Capital and reserves at 30 June 1999</i> £	Shareholding	Activity
Private Medicine Intermediaries Limited	333,481	700,437	100%	Medical insurance broker
Corporate Medical Management Limited	(77,310)	(97,098)	100% -	Medical screening and managing medical insurance contracts

All subsidiaries are registered in England and Wales.

12. DEBTORS

		<i>Group</i>		<i>Company</i>
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	£	£	£	£
Trade debtors	1,088,292	806,273	-	-
Loan due from subsidiary company	-	-	20,000	20,000
Prepayments and accrued income	26,245	22,464	-	-
Other debtors	47,166	12,612	-	-
	1,161,703	841,349	20,000	20,000

The loan due from a subsidiary is due after more than one year.

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 1999

13. CREDITORS: amounts falling due within one year

		<i>Group</i>		<i>Company</i>	
	<i>Note</i>	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
		£	£	£	£
Bank overdraft		284	-	284	-
Trade creditors		1,416,424	750,643	-	-
Obligations under hire purchases contracts	15	101,428	31,966	-	-
Amounts owed to subsidiary undertakings		-	-	96,009	96,009
Other taxes and social security costs		98,436	54,854	-	-
Corporation tax		-	5,914	-	-
Accruals and sundry creditors		171,673	171,259	-	-
		<u>1,788,245</u>	<u>1,014,636</u>	<u>96,293</u>	<u>96,009</u>

Private Medicine Intermediaries Limited has given an undertaking to the company that the amounts owed to subsidiary undertakings of £96,009 will not require repayment within 12 months of the date these accounts have been signed.

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14. CREDITORS: amounts falling due after more than one year

		<i>Group</i>	
	<i>Note</i>	<i>1999</i>	<i>1998</i>
		£	£
Obligations under hire purchase contracts	15	117,139	26,277
		<u>117,139</u>	<u>26,277</u>

15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	<i>Group</i>	
	<i>1999</i>	<i>1998</i>
	£	£
Amounts repayable:		
within one year	117,352	36,555
within two to five years	125,148	28,483
	<u>242,500</u>	<u>65,038</u>
Less: finance charges allocated to future periods	(23,933)	(6,795)
	<u>218,567</u>	<u>58,243</u>

NOTES TO THE ACCOUNTS

as at 30 June 1999

15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS (continued)

Finance leases and hire purchase contracts are analysed as follows:

		1999	Group 1998
		£	£
Current obligations	13	101,428	31,966
Non-current obligations	14	117,139	26,277
		<u>218,567</u>	<u>58,243</u>

16. MOVEMENT AND ANALYSIS OF NET DEBT

(a) Reconciliation of net cash flow to movement in net debt.

	1999	1998
	£	£
Increase/(decrease) in cash in year	753,345	(1,046,923)
Increase in bank overdraft	(284)	-
Net (increase)/decrease in hire purchase and finance lease contacts	(160,324)	12,111
	<u>592,737</u>	<u>(1,034,812)</u>
Movement in net debt in the year		
Net debt at 1 July	340,745	1,375,557
	<u>933,482</u>	<u>340,745</u>

(b) Analysis of changes in net debt

	At 1 July 1998	Cash flow	Other changes	At 30 June 1999
	£	£	£	£
Cash at bank and in hand	398,988	753,345	-	1,152,333
Overdraft	-	(284)	-	(284)
	<u>398,988</u>	<u>753,061</u>	<u>-</u>	<u>1,152,049</u>
Hire purchase and finance lease contracts	(58,243)	108,832	(269,156)	(218,567)
	<u>340,745</u>	<u>861,893</u>	<u>(269,156)</u>	<u>933,482</u>

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 1999

17. CALLED UP SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
'A' ordinary shares of £0.02 each	5,000	5,000	-	-
'B' ordinary shares of £1 each	1,000,000	1,000,000	107,300	107,300
'C' ordinary shares of £1 each	200,000	200,000	-	-
			<u>107,300</u>	<u>107,300</u>
			<u>842,354</u>	<u>842,354</u>

In accordance with the company's Articles, the 'A' shares attract voting rights but have no rights to a distribution, either in the form of dividends or repayment of capital. The 'B' shares and 'C' shares have no voting rights but qualify for all dividends declared and any repayment of capital.

18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

<i>Group</i>	<i>Share premium £</i>	<i>Share capital £</i>	<i>Profit & loss account £</i>	<i>Total £</i>
At 30 June 1998	24,451	842,354	(595,646)	271,159
Profit for the year	-	-	255,887	255,887
At 30 June 1999	<u>24,451</u>	<u>842,354</u>	<u>(339,759)</u>	<u>527,046</u>

<i>Company</i>	<i>Share premium £</i>	<i>Share capital £</i>	<i>Profit & loss account £</i>	<i>Total £</i>
At 30 June 1998	24,451	842,354	(3,706)	863,099
Loss for the year	-	-	(284)	(284)
At 30 June 1999	<u>24,451</u>	<u>842,354</u>	<u>(3,990)</u>	<u>862,815</u>

Astorhold Limited

NOTES TO THE ACCOUNTS

as at 30 June 1999

19. PENSION COMMITMENTS

The group pays pension contributions to personal pensions of selected employees. The personal pensions are arranged with an insurance company separate to the business. The group also has a defined contribution pension scheme called the PMI Limited Group Personal Pension Scheme, which was established in the year. Contributions were fully paid at the year end.

20. COMMITMENTS

At 30 June 1999 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>1999</i>	<i>1998</i>
	<i>£</i>	<i>£</i>
Operating leases which expire in over five years	80,080	75,000

21. RELATED PARTY TRANSACTIONS

Baldwin Industries Limited is considered, by the directors, to be a related party with whom transactions have occurred during the year:

The following transactions were entered into during the year:

	<i>Rental charges</i>	<i>Other recharges</i>
	<i>£</i>	<i>£</i>
Baldwin Industries Limited	80,080	142,227

The following balances existed at the year end:

	<i>Creditor</i>
	<i>£</i>
Baldwin Industries Limited	13,932

22. CONTROLLING PARTY

The directors are of the opinion that Mr C P Baldwin is the controlling party.