

Alan Boswell Insurance Brokers Limited
Financial statements
For the year ended
31 March 2013

Company Registration Number 02591252



Alan Boswell Insurance Brokers Limited

Financial statements

Year ended 31 March 2013

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Alan Boswell Insurance Brokers Limited

Company information

The board of directors

A C Boswell
E N Drew
C J Gibbs
A J Dowler
A M Rayner
H D Alexander-Bew

Company secretary

E N Drew

Registered office

Harbour House
126 Thorpe Road
Norwich
Norfolk
NR1 1UL

Auditor

Lovewell Blake LLP
Chartered Accountants
& Statutory Auditor
Sixty Six
North Quay
Great Yarmouth
Norfolk
NR30 1HE

Alan Boswell Insurance Brokers Limited

The directors' report

Year ended 31 March 2013

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2013

Principal activities and business review

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

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

The company's turnover increased by a little over 6% which the board considers extremely satisfactory given prevailing market conditions

The company continued to invest heavily during the year - in particular acquiring two businesses in the Peterborough area and continuing to recruit a number of senior specialist staff

Pre-tax profits increased by 2.63% to £1,326,308 Shareholders funds increased by nearly 19% to £3,782,066

After a number of years of organic growth the company acquired two Peterborough businesses at a cost of in excess of £700,000 The goodwill arising on these purchases will be written off over the three years to 31 December 2016 As in previous years, the company will consider using its substantial reserves and liquidity to acquire any businesses that will add value to its operations

Employee numbers rose in the year by 7.5% to 144 We continue to invest heavily in technology and to seek to improve customer service as well as providing an ever wider range of specialist skills We are extremely grateful as always to our committed and highly professional staff

Individual managers and the board set and regularly review a series of key performance indicators with the aim of achieving budgeted levels of income, efficiency and cost control

The board are satisfied that the investments made in the past year will bear fruit and the company is budgeted to further increase turnover and pre-tax profits in the current year to 31 March 2014

Results and dividends

The profit for the year, after taxation, amounted to £999,341 Particulars of dividends paid are detailed in note 9 to the financial statements

Directors

The directors who served the company during the year were as follows

A C Boswell	
E N Drew	
C J Gibbs	
A J Dowler	(Appointed 11 January 2013)
A M Rayner	(Appointed 11 January 2013)
H D Alexander-Bew	(Appointed 11 January 2013)

Alan Boswell Insurance Brokers Limited

The directors' report *(continued)*

Year ended 31 March 2013

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Lovewell Blake LLP shall be deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Harbour House
126 Thorpe Road
Norwich
Norfolk
NR1 1UL

Signed by order of the directors



E N Drew
Company Secretary

Approved by the directors on 8 July 2013

Alan Boswell Insurance Brokers Limited

Independent auditor's report to the members of Alan Boswell Insurance Brokers Limited

Year ended 31 March 2013

We have audited the financial statements of Alan Boswell Insurance Brokers Limited for the year ended 31 March 2013 on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Russell Leggett FCA TEP (Senior Statutory Auditor)
For and on behalf of Lovewell Blake LLP, Statutory Auditor

Sixty Six
North Quay
Great Yarmouth
Norfolk
NR30 1HE
8.7.13

Alan Boswell Insurance Brokers Limited

Profit and loss account

Year ended 31 March 2013

	Note	2013 £	2012 £
Turnover		7,815,156	7,347,430
Administrative expenses		(6,669,368)	(6,201,313)
Other operating income	2	17,500	20,005
Operating profit	3	1,163,288	1,166,122
Interest receivable		175,304	126,486
Amounts written off investments	6	(829)	-
Interest payable and similar charges	7	(11,455)	(341)
Profit on ordinary activities before taxation		1,326,308	1,292,267
Tax on profit on ordinary activities	8	(326,967)	(345,655)
Profit for the financial year		<u>999,341</u>	<u>946,612</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 16 form part of these financial statements.

Alan Boswell Insurance Brokers Limited

Balance sheet

31 March 2013

	Note	2013		2012	
		£	£	£	£
Fixed assets					
Intangible assets	10		638,917		–
Tangible assets	11		1,552,649		1,577,030
Investments	12		22,578		120
			<u>2,214,144</u>		<u>1,577,150</u>
Current assets					
Debtors	13	4,337,678		4,107,174	
Cash at bank and in hand		<u>4,223,733</u>		<u>4,184,282</u>	
		8,561,411		8,291,456	
Creditors: Amounts falling due within one year	15	<u>(6,993,489)</u>		<u>(6,666,001)</u>	
Net current assets			<u>1,567,922</u>		<u>1,625,455</u>
Total assets less current liabilities			<u>3,782,066</u>		<u>3,202,605</u>
Provisions for liabilities					
Deferred taxation	14		–		(19,880)
			<u>3,782,066</u>		<u>3,182,725</u>
Capital and reserves					
Called-up equity share capital	18		1,000		1,000
Profit and loss account	19		<u>3,781,066</u>		<u>3,181,725</u>
Shareholders' funds	20		<u>3,782,066</u>		<u>3,182,725</u>

These financial statements were approved by the directors and authorised for issue on 8 July 2013, and are signed on their behalf by

A C Boswell



E N Drew



Company Registration Number 02591252

The notes on pages 8 to 16 form part of these financial statements.

Alan Boswell Insurance Brokers Limited

Cash flow statement

Year ended 31 March 2013

	Note	2013 £	£	2012 £	£
Net cash inflow from operating activities	21		1,624,193		1,359,416
Returns on investments and Servicing of finance					
Interest received		175,304		126,486	
Interest paid		<u>(11,455)</u>		<u>(341)</u>	
Net cash inflow from returns on investments and servicing of finance			163,849		126,145
Taxation			(337,584)		(408,734)
Capital expenditure and financial investment					
Payments to acquire intangible fixed assets		(697,000)		-	
Payments to acquire tangible fixed assets		(316,669)		(595,210)	
Receipts from sale of fixed assets		25,949		18,000	
Acquisition of investments		<u>(3,287)</u>		<u>(20)</u>	
Net cash outflow for capital expenditure and financial investment			(991,007)		(577,230)
Acquisitions and disposals					
Acquisition of shares in group undertakings		<u>(20,000)</u>		-	
Net cash outflow from acquisitions and disposals			(20,000)		-
Equity dividends paid			(400,000)		(265,000)
Increase in cash	22		<u>39,451</u>		<u>234,597</u>

The notes on pages 8 to 16 form part of these financial statements.

Alan Boswell Insurance Brokers Limited

Notes to the financial statements

Year ended 31 March 2013

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts

Turnover

Turnover represents commission/fee income. This is accounted for in accordance with Financial Reporting Standard 5 - Reporting the substance of transactions, Application note G, and guidance issued by the ICAEW in respect of revenue recognition by insurance intermediaries

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 3 years straight line

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & machinery	- 20% straight line
Fixtures & fittings	- 20% straight line
Motor vehicles	- 25% straight line
Property upgrades	- 5% straight line

Freehold property is not depreciated. The directors perform annual impairment reviews in accordance with the requirements of FRS 15 and FRS 11 to ensure that the recoverable amount is not lower than the carrying value.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Alan Boswell Insurance Brokers Limited

Notes to the financial statements

Year ended 31 March 2013

1. Accounting policies *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Fixed asset investments

Fixed asset investments are initially capitalised on the balance sheet at cost and are written off to the profit and loss account on a straight line basis over a period of 10 years.

2. Other operating income

	2013	2012
	£	£
Management charges receivable	17,500	20,000
Other operating income	—	5
	<u>17,500</u>	<u>20,005</u>

3. Operating profit

Operating profit is stated after charging/(crediting)

	2013	2012
	£	£
Amortisation of intangible assets	58,083	—
Depreciation of owned fixed assets	321,765	288,615
Profit on disposal of fixed assets	(6,664)	(1,492)
Auditor's remuneration		
- as auditor	14,640	14,220
- for other services	1,410	1,800
Operating leases costs - other	<u>125,589</u>	<u>78,249</u>

Alan Boswell Insurance Brokers Limited

Notes to the financial statements

Year ended 31 March 2013

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2013	2012
	No	No
Number of administrative staff	140	131
Number of directors	4	3
	<u>144</u>	<u>134</u>

The aggregate payroll costs of the above were

	2013	2012
	£	£
Wages and salaries	4,124,690	3,735,323
Social security costs	432,340	411,956
Other pension costs	259,141	206,597
	<u>4,816,171</u>	<u>4,353,876</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was

	2013	2012
	£	£
Remuneration receivable	353,689	273,002
Value of company pension contributions to money purchase schemes	66,608	44,837
	<u>420,297</u>	<u>317,839</u>

Remuneration of highest paid director:

	2013	2012
	£	£
Total remuneration (excluding pension contributions)	245,803	179,750
Value of company pension contributions to money purchase schemes	20,979	8,837
	<u>266,782</u>	<u>188,587</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2013	2012
	No	No
Money purchase schemes	4	3

6. Amounts written off investments

	2013	2012
	£	£
Amount written off investments	829	-

Alan Boswell Insurance Brokers Limited

Notes to the financial statements

Year ended 31 March 2013

7. Interest payable and similar charges

	2013 £	2012 £
Other similar charges payable	<u>11,455</u>	<u>341</u>

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24% (2012 - 26%)	<u>349,702</u>	<u>363,410</u>
Total current tax	349,702	363,410
Deferred tax		
Origination and reversal of timing differences (note 14)		
Capital allowances	<u>(22,735)</u>	<u>(17,755)</u>
Tax on profit on ordinary activities	<u>326,967</u>	<u>345,655</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24% (2012 - 26%)

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>1,326,308</u>	<u>1,292,267</u>
Profit on ordinary activities by rate of tax	318,314	335,989
Effects of		
Expenses not deductible for tax purposes	7,499	9,324
Depreciation on assets not attracting capital allowances	2,683	3,032
Depreciation in excess of capital allowances	<u>21,206</u>	<u>15,065</u>
Total current tax (note 8(a))	<u>349,702</u>	<u>363,410</u>

9. Dividends

Equity dividends

	2013 £	2012 £
Paid		
Interim dividends on ordinary shares	<u>400,000</u>	<u>265,000</u>

Alan Boswell Insurance Brokers Limited

Notes to the financial statements

Year ended 31 March 2013

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2012	117,223
Additions	697,000
At 31 March 2013	<u>814,223</u>
Amortisation	
At 1 April 2012	117,223
Charge for the year	58,083
At 31 March 2013	<u>175,306</u>
Net book value	
At 31 March 2013	<u>638,917</u>
At 31 March 2012	<u>–</u>

11 Tangible fixed assets

	Freehold property £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Property upgrades £	Total £
Cost						
At 1 Apr 2012	766,062	1,036,693	504,458	267,732	211,803	2,786,748
Additions	2,720	110,975	50,777	152,197	–	316,669
Disposals	–	(120,181)	–	(64,948)	–	(185,129)
At 31 Mar 2013	<u>768,782</u>	<u>1,027,487</u>	<u>555,235</u>	<u>354,981</u>	<u>211,803</u>	<u>2,918,288</u>
Depreciation						
At 1 Apr 2012	–	686,344	345,661	105,059	72,654	1,209,718
Charge for the year	–	146,277	86,071	79,243	10,174	321,765
On disposals	–	(118,392)	–	(47,452)	–	(165,844)
At 31 Mar 2013	<u>–</u>	<u>714,229</u>	<u>431,732</u>	<u>136,850</u>	<u>82,828</u>	<u>1,365,639</u>
Net book value						
At 31 Mar 2013	<u>768,782</u>	<u>313,258</u>	<u>123,503</u>	<u>218,131</u>	<u>128,975</u>	<u>1,552,649</u>
At 31 Mar 2012	<u>766,062</u>	<u>350,349</u>	<u>158,797</u>	<u>162,673</u>	<u>139,149</u>	<u>1,577,030</u>

Alan Boswell Insurance Brokers Limited

Notes to the financial statements

Year ended 31 March 2013

12. Investments

	Group undertakings £	Other investments £	Total £
Cost			
At 1 April 2012	100	20	120
Additions	<u>20,000</u>	<u>3,287</u>	<u>23,287</u>
At 31 March 2013	<u>20,100</u>	<u>3,307</u>	<u>23,407</u>
Amounts written off			
Written off in year	500	329	829
At 31 March 2013	<u>500</u>	<u>329</u>	<u>829</u>
Net book value			
At 31 March 2013	<u>19,600</u>	<u>2,978</u>	<u>22,578</u>
At 31 March 2012	<u>100</u>	<u>20</u>	<u>120</u>

The company owns 100% of the issued share capital of the following group undertakings, both of which are registered in England

	2013 £	2012 £
Alan Boswell Leisure Insurance Brokers Limited (Dormant)		
Aggregate capital and reserves	100	100
Alan Boswell Insurance Advisers Limited Acquired 30 November 2012		
Result for the year	(3,568)	-
Aggregate capital and reserves	(13,334)	-

13 Debtors

	2013 £	2012 £
Trade debtors	3,781,901	3,402,240
Amounts owed by group undertakings	283,835	362,916
Other debtors	13,892	106,316
Prepayments and accrued income	255,195	235,702
Deferred taxation (note 14)	2,855	-
	<u>4,337,678</u>	<u>4,107,174</u>

Alan Boswell Insurance Brokers Limited

Notes to the financial statements

Year ended 31 March 2013

14 Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2013 £	2012 £
Included in debtors (note 13)	2,855	-
Included in provisions	-	(19,880)
	<u>2,855</u>	<u>(19,880)</u>

The movement in the deferred taxation account during the year was

	2013 £	2012 £
Balance brought forward	(19,880)	(37,635)
Profit and loss account movement arising during the year	22,735	17,755
Balance carried forward	<u>2,855</u>	<u>(19,880)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2013 £	2012 £
Excess of depreciation over taxation allowances	2,855	(19,880)
	<u>2,855</u>	<u>(19,880)</u>

15. Creditors. Amounts falling due within one year

	2013 £	2012 £
Insurance company creditors	5,815,374	5,555,903
Trade creditors	36,000	9,971
Amounts owed to group undertakings	244,903	247,518
Corporation tax	67,286	55,168
PAYE and social security	115,321	108,389
Other creditors	26,131	22,743
Accruals and deferred income	688,474	666,309
	<u>6,993,489</u>	<u>6,666,001</u>

16. Commitments under operating leases

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as set out below

	2013		2012	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	5,152	-	-	-
Within 2 to 5 years	85,000	27,418	85,000	-
	<u>90,152</u>	<u>27,418</u>	<u>85,000</u>	<u>-</u>

Alan Boswell Insurance Brokers Limited

Notes to the financial statements

Year ended 31 March 2013

17 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 - Related party disclosures from disclosing transactions with fellow wholly owned group companies because group consolidated accounts are prepared by the parent company

Anglian Business Services Limited, a company in which E N Drew has an interest, was contracted to provide accountancy services to the company amounting to £39,430 (2012 - £35,700)

During a prior year the company loaned, at a commercial rate of interest, £200,000 to the Alan Boswell Group Directors Pension Fund, of which A C Boswell and E N Drew are members. At the year end £nil (2012 - £106,250) remained outstanding. The company also paid rent of £85,000 (2012 - £85,000) to the Alan Boswell Group Directors Pension Fund

During the year A C Boswell made a loan to the company in the sum of £375,000. Interest was payable on this loan at a rate of 4.5% and the loan was fully repaid by the year end

18. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

19. Profit and loss account

	2013	2012
	£	£
Balance brought forward	3,181,725	2,500,113
Profit for the financial year	999,341	946,612
Equity dividends	(400,000)	(265,000)
Balance carried forward	<u>3,781,066</u>	<u>3,181,725</u>

20 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit for the financial year	999,341	946,612
Equity dividends	(400,000)	(265,000)
Net addition to shareholders' funds	599,341	681,612
Opening shareholders' funds	3,182,725	2,501,113
Closing shareholders' funds	<u>3,782,066</u>	<u>3,182,725</u>

Alan Boswell Insurance Brokers Limited

Notes to the financial statements

Year ended 31 March 2013

21 Reconciliation of operating profit to net cash inflow from operating activities

	2013	2012
	£	£
Operating profit	1,163,288	1,166,122
Amortisation	58,083	-
Depreciation	321,765	288,615
Profit on disposal of fixed assets	(6,664)	(1,492)
(Increase)/decrease in debtors	(227,649)	104,618
Increase/(decrease) in creditors	315,370	(198,447)
Net cash inflow from operating activities	<u>1,624,193</u>	<u>1,359,416</u>

22 Reconciliation of net cash flow to movement in net funds

	2013	2012
	£	£
Increase in cash in the period	<u>39,451</u>	<u>234,597</u>
Movement in net funds in the period	<u>39,451</u>	<u>234,597</u>
Net funds at 1 April 2012	4,184,282	3,949,685
Net funds at 31 March 2013	<u>4,223,733</u>	<u>4,184,282</u>

23 Analysis of changes in net funds

	At 1 Apr 2012 £	Cash flows £	At 31 Mar 2013 £
Net cash			
Cash in hand and at bank	4,184,282	39,451	4,223,733
Debt			
Net funds	<u>4,184,282</u>	<u>39,451</u>	<u>4,223,733</u>

24 Ultimate parent company

The immediate and ultimate parent company is Alan Boswell Group Limited, a company under the control of A C Boswell