

Company Registration No 03476249 (England and Wales)

ALAN BLUNDEN & CO. LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

WEDNESDAY



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COMPANIES HOUSE

ALAN BLUNDEN & CO. LTD

COMPANY INFORMATION

Directors	Mr D Blunden Mr N Blunden Mr B Brook Mr R Burgess Mr M Searcy
Secretary	Mr B Brook
Company number	03476249
Registered office	Baxter Building 80 Baxter Avenue Southend-on-Sea Essex United Kingdom SS2 6HZ
Auditors	Venthams Millhouse 32 - 38 East Street Rochford Essex SS4 1DB

ALAN BLUNDEN & CO. LTD

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ALAN BLUNDEN & CO. LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and financial statements for the year ended 31 March 2013

Principal activities and review of the business

The principal activity of the company continued to be that of non-life insurance brokers

The group returned to significant organic growth this year with an increase of 5.4% in total sales. The infrastructure changes already embedded allowed us to control overheads resulting in a healthy profit and further strengthening of our reserves to 13.97% of turnover. Our expenses included £230,000 of costs that were attributable to rent, rates and dilapidations for the lease of business premises at Maitland House which we vacated in February of 2012 but were unable to dispose of until June 2013. Without this our administrative costs would have reduced by 6.2% on the prior year demonstrating the underlying improvements in our efficiency.

The activity of our product development team, new marketing partners and continued development of our web platform returned a 6% increase in sales for our wholesale division, ABACUS. In addition we have been able to deliver greatly improved loss ratios to our insurer partners.

The online retail division, Cover4, found trading more difficult. The work we had undertaken in search engine optimisation took a massive knock in April 2012 after the release of Google's "penguin" update, this resulted in a deterioration of our page rankings which led to a substantial increase in our cost per acquisition. Rather than chase business at any price we took the prudent decision to allow a small decline in this area whilst alternative strategies were embedded. This work was completed during the year and we are confident that there will be a return to profitable growth.

The traditional retail brokerage division continued to build foundations for future growth and deliver personal, professional service to our local community.

This year has taken us another small step towards our vision to "be a top 50 broker and recognised as number 1 for quality and efficiency in the UK".

Results and dividends

The results for the year are set out on page 5.

Interim dividends of £75,000 were distributed during the year ended 31 March 2013.

Directors

The following directors have held office since 1 April 2012:

Mr D Blunden
Mr N Blunden
Mr B Brook
Mr R Burgess
Mr M Searcy

Auditors

The auditors, Venthams, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

ALAN BLUNDEN & CO. LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

Statement of 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 period. In preparing these 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr N Blunden

Director

28/4/13

ALAN BLUNDEN & CO. LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALAN BLUNDEN & CO. LTD

We have audited the financial statements of Alan Blunden & Co Ltd for the year ended 31 March 2013 set out on pages 5 to 18. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 matter 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.

ALAN BLUNDEN & CO. LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ALAN BLUNDEN & CO. LTD

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

Ventham

Stuart Harrison (Senior Statutory Auditor)
for and on behalf of Venthams

28/6/13

Chartered Accountants
Statutory Auditor

Millhouse
32 - 38 East Street
Rochford
Essex
SS4 1DB

ALAN BLUNDEN & CO. LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Turnover	2	6,722,513	6,375,924
Cost of sales		(3,468,320)	(3,204,334)
Gross profit		3,254,193	3,171,590
Administrative expenses		(3,050,006)	(3,005,442)
Other operating income		16,862	15,716
Operating profit	3	221,049	181,864
Other interest receivable and similar income	4	694	944
Interest payable and similar charges	5	-	(52)
Profit on ordinary activities before taxation		221,743	182,756
Tax on profit on ordinary activities	6	(54,382)	(50,371)
Profit for the year	16	167,361	132,385

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

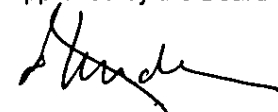
ALAN BLUNDEN & CO. LTD

BALANCE SHEET

AS AT 31 MARCH 2013

	Notes	2013		2012	
		£	£	£	£
Fixed assets					
Intangible assets	8		70,000		80,000
Tangible assets	9		159,383		167,692
Investments	10		4,918		4,918
			<u>234,301</u>		<u>252,610</u>
Current assets					
Debtors	11	3,596,910		3,709,262	
Cash at bank and in hand		1,565,242		1,335,125	
		<u>5,162,152</u>		<u>5,044,387</u>	
Creditors' amounts falling due within one year	12	<u>(4,382,163)</u>		<u>(4,363,076)</u>	
Net current assets			<u>779,989</u>		<u>681,311</u>
Total assets less current liabilities			<u>1,014,290</u>		<u>933,921</u>
Creditors' amounts falling due after more than one year	13		(61,290)		(72,068)
Provisions for liabilities	14		(13,817)		(15,031)
			<u>939,183</u>		<u>846,822</u>
Capital and reserves					
Called up share capital	15		100,000		100,000
Profit and loss account	16		839,183		746,822
Shareholders' funds	17		<u>939,183</u>		<u>846,822</u>

Approved by the Board and authorised for issue on 28/6/13



Mr N Blunden
Director

Company Registration No. 03476249

ALAN BLUNDEN & CO. LTD

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	£	2013 £	£	2012 £
Net cash inflow from operating activities		406,362		25,990
Returns on investments and servicing of finance				
Interest received	694		944	
Interest paid	-		(52)	
	<u> </u>		<u> </u>	
Net cash inflow for returns on investments and servicing of finance		694		892
Taxation		(34,999)		(61,671)
Capital expenditure				
Payments to acquire tangible assets	(59,662)		(172,646)	
Receipts from sales of tangible assets	3,500		10,499	
	<u> </u>		<u> </u>	
Net cash outflow for capital expenditure		(56,162)		(162,147)
Equity dividends paid		(75,000)		(60,000)
		<u> </u>		<u> </u>
Net cash inflow/(outflow) before management of liquid resources and financing		240,895		(256,936)
Financing				
Repayment of other long term loans	(10,778)		(10,690)	
	<u> </u>		<u> </u>	
Net cash outflow from financing		(10,778)		(10,690)
Increase/(decrease) in cash in the year		<u> </u> <u> </u>		<u> </u> <u> </u>

ALAN BLUNDEN & CO. LTD

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

1	Reconciliation of operating profit to net cash inflow from operating activities		2013	2012
			£	£
	Operating profit		221,049	181,864
	Depreciation of tangible assets		64,986	67,134
	Amortisation of intangible assets		10,000	10,000
	(Profit)/loss on disposal of tangible assets		(515)	2,639
	Decrease/(increase) in debtors		112,352	(776,940)
	(Decrease)/Increase in creditors within one year		(1,510)	541,293
	Net cash inflow from operating activities		406,362	25,990
2	Analysis of net funds	1 April 2012	Cash flow	Other non- 31 March 2013 cash changes
		£	£	£
	Net cash			
	Cash at bank and in hand	1,335,125	230,117	1,565,242
	Bank deposits	-	-	-
	Debt			
	Debts falling due after one year	(72,068)	10,778	(61,290)
	Net funds	1,263,057	240,895	1,503,952
3	Reconciliation of net cash flow to movement in net funds		2013	2012
			£	£
	Increase/(decrease) in cash in the year		230,117	(267,626)
	Cash outflow from decrease in debt		10,778	10,690
	Movement in net funds in the year		240,895	(256,936)
	Opening net funds		1,263,057	1,519,993
	Closing net funds		1,503,952	1,263,057

ALAN BLUNDEN & CO. LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents net commissions earned on premiums received during the year

1.4 Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2000, is being amortised evenly over its estimated useful life of twenty years

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	20% reducing balance
Computer equipment	25% on cost
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

1.6 Leasing

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.9 Liquid Resources

Liquid resources are defined as short term deposits and current asset investments maturing or capable of being realised within one year

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

ALAN BLUNDEN & CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

3	Operating profit	2013	2012
		£	£
	Operating profit is stated after charging		
	Amortisation of intangible assets	10,000	10,000
	Depreciation of tangible assets	64,986	67,134
	Loss on disposal of tangible assets	-	2,639
	Operating lease rentals	261,863	174,554
	and after crediting		
	Profit on disposal of tangible assets	(515)	-
		<u> </u>	<u> </u>
	Auditors' remuneration		
	Fees payable to the company's auditor for the audit of the company's annual accounts	14,400	14,400
	Corporate taxation services	720	1,455
	Payroll services	2,472	2,130
	Statutory services	216	2,376
	Other professional services	1,818	4,878
		<u> </u>	<u> </u>
		19,626	25,239
		<u> </u>	<u> </u>
4	Investment income	2013	2012
		£	£
	Bank interest	694	942
	Other interest	-	2
		<u> </u>	<u> </u>
		694	944
		<u> </u>	<u> </u>
5	Interest payable	2013	2012
		£	£
	On overdue tax	-	52
		<u> </u>	<u> </u>

ALAN BLUNDEN & CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

6	Taxation	2013 £	2012 £
	Domestic current year tax		
	U K corporation tax	55,596	34,999
	Adjustment for prior years	-	9,346
	Total current tax	<u>55,596</u>	<u>44,345</u>
	Deferred tax		
	Deferred tax charge/credit current year	(1,214)	6,026
		<u>54,382</u>	<u>50,371</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>221,743</u>	<u>182,756</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 20.00%)	<u>44,349</u>	<u>36,551</u>
	Effects of		
	Non deductible expenses	7,260	6,164
	Depreciation add back	14,997	15,427
	Capital allowances	(10,907)	(23,671)
	(Profit)/Loss on disposal	(103)	528
	Adjustments to previous periods	-	9,346
		<u>11,247</u>	<u>7,794</u>
	Current tax charge for the year	<u>55,596</u>	<u>44,345</u>
7	Dividends	2013 £	2012 £
	Ordinary interim paid	75,000	15,000
	Ordinary final paid	-	45,000
		<u>75,000</u>	<u>60,000</u>

ALAN BLUNDEN & CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2012 & at 31 March 2013	205,000
Amortisation	
At 1 April 2012	125,000
Charge for the year	10,000
At 31 March 2013	135,000
Net book value	
At 31 March 2013	70,000
At 31 March 2012	80,000

9 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2012	34,103	314,192	159,705	34,174	542,174
Additions	2,155	28,081	13,927	15,499	59,662
Disposals	-	-	-	(9,429)	(9,429)
At 31 March 2013	36,258	342,273	173,632	40,244	592,407
Depreciation					
At 1 April 2012	6,821	246,689	108,341	12,631	374,482
On disposals	-	-	-	(6,444)	(6,444)
Charge for the year	5,888	34,261	16,323	8,514	64,986
At 31 March 2013	12,709	280,950	124,664	14,701	433,024
Net book value					
At 31 March 2013	23,549	61,323	48,968	25,543	159,383
At 31 March 2012	27,282	67,503	51,364	21,543	167,692

ALAN BLUNDEN & CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

10 Fixed asset investments

	Unlisted investments £
Cost	
At 1 April 2012 & at 31 March 2013	4,918
Net book value	
At 31 March 2013	4,918
At 31 March 2012	4,918

In the opinion of the directors, the value of the fixed asset investment is not less than the carrying value

11 Debtors	2013 £	2012 £
Trade debtors	3,096,683	3,188,718
Other debtors	391,011	397,108
Prepayments and accrued income	109,216	123,436
	<u>3,596,910</u>	<u>3,709,262</u>

Amounts falling due after more than one year and included in the debtors above are

	2013 £	2012 £
Other debtors	<u>391,011</u>	<u>397,108</u>

ALAN BLUNDEN & CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

12 Creditors: amounts falling due within one year	2013	2012
	£	£
Trade creditors	4,156,626	4,170,561
Corporation tax	55,596	34,999
Other taxes and social security costs	45,020	43,256
Directors' current accounts	660	46,270
Other creditors	73,191	10,000
Accruals and deferred income	51,070	57,990
	<u>4,382,163</u>	<u>4,363,076</u>

Included within trade creditors are net broking liabilities of £4,062,750 (2012 £4,093,273) This is represented by net broking debtors of £3,096,683 (2012 £3,188,718) included in trade debtors, and £966,067 (2012 £904,554) held in the bank on trust for insurance companies

13 Creditors' amounts falling due after more than one year	2013	2012
	£	£
Other loans	<u>61,290</u>	<u>72,068</u>
In more than one year but not more than two years	10,000	10,000
In more than two years but not more than five years	30,000	30,000
In more than five years	<u>21,290</u>	<u>32,068</u>

14 Provisions for liabilities

	Deferred tax liability
	£
Balance at 1 April 2012	15,031
Profit and loss account	(1,214)
Balance at 31 March 2013	<u>13,817</u>

The deferred tax liability is made up as follows:

	2013	2012
	£	£
Accelerated capital allowances	<u>13,817</u>	<u>15,031</u>

ALAN BLUNDEN & CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

15 Share capital	2013	2012
	£	£
Allotted, called up and fully paid		
32,000 Ordinary 'A' shares of £1 each	32,000	32,000
32,000 Ordinary 'B' shares of £1 each	32,000	32,000
31,000 Ordinary 'C' shares of £1 each	31,000	31,000
5,000 Ordinary 'D' shares of £1 each	5,000	5,000
	<u>100,000</u>	<u>100,000</u>
16 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 April 2012		746,822
Profit for the year		167,361
Dividends paid		(75,000)
Balance at 31 March 2013		<u>839,183</u>
17 Reconciliation of movements in shareholders' funds	2013	2012
	£	£
Profit for the financial year	167,361	132,385
Dividends	(75,000)	(60,000)
Net addition to shareholders' funds	<u>92,361</u>	<u>72,385</u>
Opening shareholders' funds	846,822	774,437
Closing shareholders' funds	<u>939,183</u>	<u>846,822</u>

ALAN BLUNDEN & CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

18 Financial commitments

At 31 March 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2014

	Land and buildings	
	2013	2012
	£	£
Operating leases which expire		
Within one year	26,027	-
Between two and five years	14,500	139,497
In over five years	49,000	49,000
	<u>89,527</u>	<u>188,497</u>

19 Directors' remuneration

	2013	2012
	£	£
Remuneration for qualifying services	<u>280,484</u>	<u>290,833</u>
Remuneration disclosed above include the following amounts paid to the highest paid director		
Remuneration for qualifying services	<u>85,053</u>	<u>86,525</u>

ALAN BLUNDEN & CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2013 Number	2012 Number
Administration	13	13
Management	9	9
Selling	39	39
	<u>61</u>	<u>61</u>

Employment costs

	2013 £	2012 £
Wages and salaries	1,399,468	1,411,235
Social security costs	139,221	142,257
	<u>1,538,689</u>	<u>1,553,492</u>

21 Control

In the opinion of the directors the company is not controlled by another party

ALAN BLUNDEN & CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

22 Related party relationships and transactions

At the year end the company was owed £391,011 (2012 £384,299) by Baxter Building Limited, a company of which N Blunden, B Brook and R Burgess are directors

Included in trade creditors is a balance of £22,518 (2012 £nil) owed to Baxter Building Limited

Included in other creditors due within one year are the following loans from directors

D Blunden £10,000 (2012 £10,000)

B Brook £260 (2012 £15,120)

N Blunden £nil (2012 £15,750)

R Burgess £400 (2012 £15,400)

Included in other creditors due after more than one year is a loan from D Blunden of £61,290 (2012 £72,068)

During the year the company paid £14,500 (2012 £14,500) to D Blunden for rent of premises. The company also paid £49,000 (2012 £6,712) for rent of premises and £46,846 (2012 £nil) in service charges to Baxter Building Limited

During the year dividends were paid to company directors as follows

B Brook £25,000 (2012 £20,000)

N Blunden £25,000 (2012 £20,000)

R Burgess £25,000 (2012 £20,000)