

297801

WALMSLEYS INSURANCE BROKERS LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999



WALMSLEYS INSURANCE BROKERS LIMITED

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for the Year Ended 31 December 1999**

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WALMSLEYS INSURANCE BROKERS LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 1999

DIRECTORS:	E Walmsley P R Williams
SECRETARY:	Mrs C A Brown
REGISTERED OFFICE:	Walmsley House 35 Dicconson Street Wigan Greater Manchester WN1 2AS
REGISTERED NUMBER:	297801 (England and Wales)
AUDITORS:	John Fairhurst & Co Registered Auditors Chartered Accountants Douglas Bank House Wigan Lane Wigan WN1 2TB
BANKERS:	National Westminster Bank Plc 4 Standishgate Wigan WN1 1UJ

WALMSLEYS INSURANCE BROKERS LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 1999**

The directors present their report with the financial statements of the company for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of insurance brokers and life assurance consultants.

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 123.33 per share was paid on 31 December 1999. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 1999 will be £185,000.

DIRECTORS

The directors during the year under review were:

E Walmsley
P R Williams

The directors holding office at 31 December 1999 did not hold any beneficial interest in the issued share capital of the company at 1 January 1999 or 31 December 1999.

SHARE CAPITAL

The company's shares were taken over by Walmsley Williams Limited on the 31 January 1998. At this date the company became a subsidiary of Walmsley Williams Limited.

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

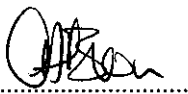
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

AUDITORS

The auditors, John Fairhurst & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



Mrs C A Brown - SECRETARY

Dated: 5/6/00

WALMSLEYS INSURANCE BROKERS LIMITED

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
WALMSLEYS INSURANCE BROKERS LIMITED**

We have audited the financial statements on pages four to eighteen which have been prepared under the historical cost convention and the accounting policies set out on pages ten and eleven.

Respective responsibilities of directors and auditors

As described on page two 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 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 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



John Fairhurst & Co
Registered Auditors
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
WN1 2TB

Dated: 7 June 2000

WALMSLEYS INSURANCE BROKERS LIMITED

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 1999**

	Notes	1999		1998	
		£	£	£	£
TURNOVER			1,933,462		1,727,098
GROSS PROFIT			1,933,462		1,727,098
Administrative expenses			1,892,189		1,693,016
			41,273		34,082
Other operating income			6,600		6,600
OPERATING PROFIT	3		47,873		40,682
Income from investments		2,467		584	
Interest receivable and similar income		34,300		46,920	
			36,767		47,504
			84,640		88,186
Amounts written off investments	4		-		(4,508)
			84,640		92,694
Interest payable and similar charges	5		11,305		19,371
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			73,335		73,323
Tax on profit on ordinary activities	6		19,916		15,531
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			53,419		57,792
Dividends	7		185,000		50,000
			(131,581)		7,792
Retained profit brought forward			314,150		306,358
RETAINED PROFIT CARRIED FORWARD			£182,569		£314,150

The notes form part of these financial statements

WALMSLEYS INSURANCE BROKERS LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 1999

CONTINUING OPERATIONS

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

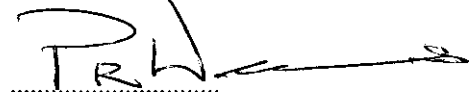
The notes form part of these financial statements

WALMSLEYS INSURANCE BROKERS LIMITED

BALANCE SHEET
31 December 1999

		<u>1999</u>		<u>1998</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		559,542		531,116
Investments	9		<u>23,522</u>		<u>21,683</u>
			583,064		552,799
CURRENT ASSETS:					
Debtors	10	543,863		831,782	
Cash at bank and in hand		<u>1,052,163</u>		<u>579,771</u>	
		1,596,026		1,411,553	
CREDITORS: Amounts falling due within one year	11	<u>1,706,037</u>		<u>1,377,029</u>	
NET CURRENT (LIABILITIES)/ASSETS:			<u>(110,011)</u>		<u>34,524</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			473,053		587,323
CREDITORS: Amounts falling due after more than one year	12		(137,177)		(151,769)
PROVISIONS FOR LIABILITIES AND CHARGES:	16		<u>(90,038)</u>		<u>(58,135)</u>
			<u>£245,838</u>		<u>£377,419</u>
CAPITAL AND RESERVES:					
Called up share capital	17		1,500		1,500
Revaluation reserve	18		61,769		61,769
Profit and loss account			<u>182,569</u>		<u>314,150</u>
Shareholders' funds	21		<u>£245,838</u>		<u>£377,419</u>

ON BEHALF OF THE BOARD:



P R Williams - DIRECTOR

Approved by the Board on 5.6.2000

The notes form part of these financial statements

WALMSLEYS INSURANCE BROKERS LIMITED

**CASH FLOW STATEMENT
for the Year Ended 31 December 1999**

		<u>1999</u>		<u>1998</u>	
	Notes	£	£	£	£
Net cash inflow/(outflow) from operating activities	1		703,294		(201,282)
Returns on investments and servicing of finance	2		25,462		28,133
Taxation			(7,014)		(2,482)
Capital expenditure and financial investment	2		(5,698)		151,576
Equity dividends paid			<u>(195,000)</u>		<u>(40,000)</u>
			521,044		(64,055)
Financing	2		<u>(48,652)</u>		<u>(101,695)</u>
Increase/(Decrease) in cash in the period			<u>£472,392</u>		<u>£(165,750)</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase/(Decrease) in cash in the period		472,392		(165,750)	
Cash outflow from decrease in debt and lease financing		<u>97,651</u>		<u>94,810</u>	
Change in net funds resulting from cash flows			570,043		(70,940)
New finance leases			<u>(91,893)</u>		<u>(87,100)</u>
Movement in net funds in the period			478,150		(158,040)
Net funds at 1 January 1999			<u>488,077</u>		<u>646,117</u>
Net funds at 31 December 1999			<u>£966,227</u>		<u>£488,077</u>

The notes form part of these financial statements

WALMSLEYS INSURANCE BROKERS LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 1999**

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

	1999 £	1998 £
Operating profit	47,873	40,682
Depreciation charges	65,989	68,060
Loss on sale of fixed assets	1,338	2,603
Decrease/(Increase) in debtors	275,536	(332,573)
Increase in creditors	<u>312,558</u>	<u>19,946</u>
Net cash inflow/(outflow) from operating activities	<u><u>703,294</u></u>	<u><u>(201,282)</u></u>

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

	1999 £	1998 £
Returns on investments and servicing of finance		
Interest received	34,300	46,920
Interest paid	(2,695)	(9,977)
Interest element of hire purchase payments	(8,610)	(9,394)
Dividends received	<u>2,467</u>	<u>584</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>25,462</u></u>	<u><u>28,133</u></u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(22,361)	(39,804)
Cash payments - investmt purch	(1,836)	-
Sale of tangible fixed assets	18,499	85,375
Cash receipts - investmt sales	<u>-</u>	<u>106,005</u>
Net cash (outflow)/inflow for capital expenditure	<u><u>(5,698)</u></u>	<u><u>151,576</u></u>
Financing		
Loan repayments in year	(109,652)	(97,445)
Provisions for future costs	31,000	29,750
Amount introduced by directors	115,000	30,000
Amount withdrawn by directors	<u>(85,000)</u>	<u>(64,000)</u>
Net cash outflow from financing	<u><u>(48,652)</u></u>	<u><u>(101,695)</u></u>

The notes form part of these financial statements

WALMSLEYS INSURANCE BROKERS LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 1999**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/99 £	Cash flow £	Other non-cash changes £	At 31/12/99 £
Net cash:				
Cash at bank and in hand	<u>579,771</u>	<u>472,392</u>		<u>1,052,163</u>
	<u>579,771</u>	<u>472,392</u>		<u>1,052,163</u>
Debt:				
Hire purchase	<u>(91,694)</u>	<u>97,651</u>	<u>(91,893)</u>	<u>(85,936)</u>
	<u>(91,694)</u>	<u>97,651</u>	<u>(91,893)</u>	<u>(85,936)</u>
Total	<u>488,077</u>	<u>570,043</u>	<u>(91,893)</u>	<u>966,227</u>
Analysed in Balance Sheet				
Cash at bank and in hand	579,771			1,052,163
Hire purchase				
within one year	(59,925)			(56,759)
after one year	<u>(31,769)</u>			<u>(29,177)</u>
	<u>488,077</u>			<u>966,227</u>

The notes form part of these financial statements

WALMSLEYS INSURANCE BROKERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1999**

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

This is net of insurance premium tax.

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.

Leasehold property	- not provided
Office furniture	- 15% on reducing balance
Improvements to property	- 2% on reducing balance
Computer equipment	- 20% on reducing balance
Office equipment	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

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. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

WALMSLEYS INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 1999

1. ACCOUNTING POLICIES - continued

Insurance broking debtors and creditors

Insurance brokers usually act as agents in placing the insurable risks of their client and, as such, generally are not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities. This recognises that the insurance broker is entitled to retain the investment income on any cash flows arising from these transactions.

Debtors and creditors arising from a transaction between client and insurers are recorded simultaneously. Consequently, there is a high level of correlation between the totals reported in respect of insurance broking debtors and insurance broking creditors.

The position of the insurance broker as agent means that generally the credit risk is borne by the principals. There can be circumstances where the insurance acquires credit risk - through statute, or through the act of omission of the insurance broker or of one of the principals. There is much legal uncertainty surrounding the circumstances and the extent of such exposures and consequently they cannot be evaluated. However, the total insurance broking debtors appearing in the balance sheet is not an indication of credit risk.

It is normal practice for insurance brokers to settle accounts with other intermediaries, clients, insurers and market settlement bureaux on a net basis. Thus, large changes in both insurance broking debtors and creditors can result from comparatively small cash settlements. for this reason the totals of insurance broking debtors and creditors give no indication of future cashflows.

The legal status of this practice of net settlement is uncertain and in the event of an insolvency it is generally abandoned. Financial Reporting Standard No 5 "Reporting substance of transactions" requires that the offset of assets and liabilities should be recognised in financial statements where, and only where, the offset would survive the insolvency of the other party. Accordingly, only such offsets have been recognised in calculating insurance broking debtors and creditors.

2. STAFF COSTS

	1999	1998
	£	£
Wages and salaries	1,207,468	1,056,247
Social security costs	115,950	96,489
Other pension costs	<u>57,072</u>	<u>52,190</u>
	<u>1,380,490</u>	<u>1,204,926</u>

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

	1999	1998
Administration	<u>70</u>	<u>66</u>

WALMSLEYS INSURANCE BROKERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1999**

3. OPERATING PROFIT

The operating profit is stated after charging:

	1999	1998
	£	£
Hire of plant and machinery	51,619	55,454
Other operating leases	10,075	10,075
Depreciation - owned assets	25,771	30,342
Depreciation - assets on hire purchase contracts	40,218	37,718
Loss on disposal of fixed assets	1,338	2,603
Auditors' remuneration	<u>7,350</u>	<u>7,000</u>
Directors' emoluments	172,829	151,438
Directors' pension contributions to money purchase schemes	<u>20,000</u>	<u>20,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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4. AMOUNTS WRITTEN OFF INVESTMENTS

	1999	1998
	£	£
Amortisation of investment	-	96,948
Sale of Investments	<u>-</u>	<u>(101,456)</u>
	<u>-</u>	<u>(4,508)</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1999	1998
	£	£
Bank interest	2,695	6,545
Interest re national insurance	-	3,432
Hire purchase	<u>8,610</u>	<u>9,394</u>
	<u>11,305</u>	<u>19,371</u>

6. TAXATION

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

	1999	1998
	£	£
UK corporation tax	18,870	16,808
Underprovision in prior years	143	-
Deferred taxation	<u>903</u>	<u>(1,277)</u>
	<u>19,916</u>	<u>15,531</u>

UK corporation tax has been charged at 20.25% (1998 - 21%).

WALMSLEYS INSURANCE BROKERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1999

7. DIVIDENDS

	1999 £	1998 £
Equity shares:		
Ordinary - paid	185,000	40,000
Ordinary - proposed	<u>-</u>	<u>10,000</u>
	<u>185,000</u>	<u>50,000</u>

8. TANGIBLE FIXED ASSETS

	Leasehold property	Office furniture	Improvem- ents to property
	£	£	£
COST:			
At 1 January 1999	230,000	25,847	12,397
Additions	<u>-</u>	<u>15,690</u>	<u>-</u>
At 31 December 1999	<u>230,000</u>	<u>41,537</u>	<u>12,397</u>
DEPRECIATION:			
At 1 January 1999	-	13,108	962
Charge for year	<u>-</u>	<u>2,175</u>	<u>229</u>
At 31 December 1999	<u>-</u>	<u>15,283</u>	<u>1,191</u>
NET BOOK VALUE:			
At 31 December 1999	<u>230,000</u>	<u>26,254</u>	<u>11,206</u>
At 31 December 1998	<u>230,000</u>	<u>12,740</u>	<u>11,435</u>

	Computer equipment	Office equipment	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 1999	240,412	163,017	184,210	855,883
Additions	2,461	46,058	50,045	114,254
Disposals	<u>-</u>	<u>-</u>	<u>(44,519)</u>	<u>(44,519)</u>
At 31 December 1999	<u>242,873</u>	<u>209,075</u>	<u>189,736</u>	<u>925,618</u>
DEPRECIATION:				
At 1 January 1999	149,858	110,867	49,974	324,769
Charge for year	18,350	8,276	36,959	65,989
Eliminated on disposals	<u>-</u>	<u>-</u>	<u>(24,682)</u>	<u>(24,682)</u>
At 31 December 1999	<u>168,208</u>	<u>119,143</u>	<u>62,251</u>	<u>366,076</u>
NET BOOK VALUE:				
At 31 December 1999	<u>74,665</u>	<u>89,932</u>	<u>127,485</u>	<u>559,542</u>
At 31 December 1998	<u>90,554</u>	<u>52,151</u>	<u>134,236</u>	<u>531,116</u>

WALMSLEYS INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 1999

8. TANGIBLE FIXED ASSETS - continued

In accordance with Statement of Standard Accounting Practice No 19, the leasehold property has not been subject to depreciation as the unexpired term of the lease exceeds 25 years. The directors do not consider that the leasehold property is held in the balance sheet at a figure greater than market value.

The leasehold property was revalued at 31 December 1992. The term of the lease is 999 years from 2 February 1877. At December 1992 there were 883 years left.

The property has been revalued at £230,000. The depreciation over 883 years would equate to £260 per annum. Over the seven years to 1999 this would accumulate to £1,820.

If the rate of 2% per annum was considered, the cumulated depreciation to 1998 would be £32,200.

The net book value of tangible fixed assets includes £199,487 (1998 - £157,877) in respect of assets held under hire purchase contracts.

9. FIXED ASSET INVESTMENTS

	£	
COST:		
At 1 January 1999		21,683
Additions		<u>1,839</u>
At 31 December 1999		<u>23,522</u>
NET BOOK VALUE:		
At 31 December 1999		<u><u>23,522</u></u>
At 31 December 1998		<u><u>21,683</u></u>
	1999	1998
	£	£
Investments listed on recognised stock exchange	20,337	18,498
Unlisted investments	<u>3,185</u>	<u>3,185</u>
	<u><u>23,522</u></u>	<u><u>21,683</u></u>

Market value of listed investments at 31 December 1999 - £525,048 (1998 - £254,040).

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999	1998
	£	£
Trade debtors	520,818	701,564
Prepayments	23,045	17,435
Amount owed from group company	-	100,400
ACT recoverable	<u>-</u>	<u>12,383</u>
	<u><u>543,863</u></u>	<u><u>831,782</u></u>

WALMSLEYS INSURANCE BROKERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1999

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

	1999 £	1998 £
Bank loans and overdrafts (see note 13)	12,000	12,000
Hire purchase contracts (see note 14)	56,759	59,925
Trade creditors	1,328,603	1,091,946
Other creditors	6,086	5,837
Amounts due to group company	9,880	-
Directors' current accounts	60,000	30,000
Dividend proposed	-	10,000
Social security & other taxes	95,160	76,854
Taxation	18,807	16,691
ACT payable	-	2,500
Accrued expenses	118,742	71,276
	<u>1,706,037</u>	<u>1,377,029</u>

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

	1999 £	1998 £
Bank loans (see note 13)	108,000	120,000
Hire purchase contracts (see note 14)	29,177	31,769
	<u>137,177</u>	<u>151,769</u>

13. LOANS AND OVERDRAFTS

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

	1999 £	1998 £
Amounts falling due within one year or on demand:		
Bank loans	<u>12,000</u>	<u>12,000</u>
Amounts falling due between one and two years:		
Bank loans	<u>12,000</u>	<u>12,000</u>
Amounts falling due between two and five years:		
Bank loans	<u>36,000</u>	<u>36,000</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Bank loans	<u>60,000</u>	<u>72,000</u>

WALMSLEYS INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1999

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	1999	1998
	£	£
Gross obligations repayable:		
Within one year	64,399	67,340
Between one and five years	<u>32,908</u>	<u>36,137</u>
	<u>97,307</u>	<u>103,477</u>
Finance charges repayable:		
Within one year	7,640	7,415
Between one and five years	<u>3,731</u>	<u>4,368</u>
	<u>11,371</u>	<u>11,783</u>
Net obligations repayable:		
Within one year	56,759	59,925
Between one and five years	<u>29,177</u>	<u>31,769</u>
	<u>85,936</u>	<u>91,694</u>

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

	Operating leases			
	Land and buildings		Other	
	1999	1998	1999	1998
	£	£	£	£
Expiring:				
Within one year	-	-	-	17,379
In more than five years	<u>28,000</u>	<u>28,000</u>	<u>-</u>	<u>-</u>
	<u>28,000</u>	<u>28,000</u>	<u>-</u>	<u>17,379</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	1999	1998
	£	£
Bank loans	120,000	132,000
Hire purchase contracts	<u>85,936</u>	<u>91,694</u>
	<u>205,936</u>	<u>223,694</u>

The loan is secured by a legal charge dated 18 April 1978 in favour of National Westminster Bank Plc on land and buildings at 35 Dicconson Street, Wigan.

WALMSLEYS INSURANCE BROKERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1999**

16. PROVISIONS FOR LIABILITIES AND CHARGES

	1999	1998
	£	£
Provision	30,000	24,000
Future costs for claims	42,750	17,750
Deferred taxation	<u>17,288</u>	<u>16,385</u>
	<u>90,038</u>	<u>58,135</u>
	Deferred taxation	
	£	
Balance at 1 January 1999	16,385	
Increase to profit & loss	<u>903</u>	
Balance at 31 December 1999	<u>17,288</u>	

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows:

	Provided		Not provided	
	1999	1998	1999	1998
	£	£	£	£
Accelerated capital allowances	17,288	16,385	-	-
Listed investments	<u>-</u>	<u>-</u>	<u>100,942</u>	<u>50,961</u>
	<u>17,288</u>	<u>16,385</u>	<u>100,942</u>	<u>50,961</u>

17. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1999	1998
			£	£
1,500	Ordinary	£1	<u>1,500</u>	<u>1,500</u>

18. REVALUATION RESERVE

	1999	1998
	£	£
Brought forward	<u>61,769</u>	<u>61,769</u>

19. ULTIMATE PARENT COMPANY

The company's share capital was acquired by Walmsley Williams Limited on the 31 January 1998. The company considers Walmsley Williams Limited, a company incorporated in England and Wales, to be its ultimate holding company.

20. CONTINGENT LIABILITIES

The net amount of Indemnity commission included in the financial statements for the year is £90,224.

WALMSLEYS INSURANCE BROKERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1999**

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
	£	£
Profit for the financial year	53,419	57,792
Dividends	<u>(185,000)</u>	<u>(50,000)</u>
NET (REDUCTION)/ADDITION TO SHAREHOLDERS' FUNDS	(131,581)	7,792
Opening shareholders' funds	<u>377,419</u>	<u>369,627</u>
CLOSING SHAREHOLDERS' FUNDS	<u>245,838</u>	<u>377,419</u>
 Equity interests	 <u>245,838</u>	 <u>377,419</u>