

Company Registration No. 725887 (England and Wales)

**BISHOPS PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2004**



**Finn-Kelcey & Chapman**  
**Chartered Accountants**  
**Stourside Place**  
**Station Road**  
**Ashford Kent**

# BISHOPS PLC

## COMPANY INFORMATION

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**Directors**

G N Bishop  
K J Rawlings  
G L Epps  
R G Bishop  
J J Rawlings  
K M Holliday  
K D Jones

**Secretary**

K D Jones

**Company number**

725887

**Registered office**

Halden House  
High Halden  
Ashford Kent

**Auditors**

Finn-Kelcey & Chapman  
Stourside Place  
Station Road  
Ashford Kent

**Business address**

Halden House  
High Halden  
Ashford Kent

**Bankers**

Lloyds TSB Bank Plc  
81 High Street  
Ashford Kent

**Solicitors**

Girlings  
Stourside Place  
Station Road  
Ashford Kent

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# BISHOPS PLC

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# **BISHOPS PLC**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004**

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The directors present their report and financial statements for the year ended 31 March 2004.

### **Principal activities and review of the business**

The principal activity of the company continued to be that of Insurance Broking.

The year ended 31 March 2004 was the best in the company's history. This resulted from a combination of factors:- several major corporate accounts were obtained, a marketing department was set up which resulted in a regular flow of new clients to our schemes business and client retention was excellent. The acquisition of a small portfolio of business from Thomas and Lednor has been entirely successful. The firm insurance market was also a major factor.

The gross revenue would have been about £200k higher but for the fact that following a strategic review of our relationship with our joint venture partners, Braddons, a tranche of income was transferred to them together with the attendant expenses. This had a positive effect on our net profit.

In the year ahead we will continue to refine our client profile focussing on Corporate business. There are definite signs of a softening of the insurance market and growth from existing business will be more difficult to achieve. We have submitted our application for FSA approval and the cost of Compliance will affect our profit. Our current IT system will have to be replaced in the year ahead to ensure we are able to comply with FSA regulations to be introduced in the next year or so.

During the year our ISO Quality system was upgraded to BSEN/ISO 2000.

### **Results and dividends**

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

An interim ordinary dividend was paid amounting to £146,248. The directors do not recommend payment of a final dividend.

### **Intended sale of share capital**

The shareholders are currently considering an offer for the sale of the issued shares in the company. It is expected that the sale will be completed not later than 30 September 2004.

### **Directors**

The following directors have held office since 1 April 2003:

G N Bishop  
K J Rawlings  
G L Epps  
R G Bishop  
J J Rawlings  
R E Farr  
K M Holliday  
S A S Davies  
K D Jones

(Resigned 31 December 2003)

(Resigned 31 March 2004)

# BISHOPS PLC

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

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### Directors' interests

The directors' interests in the shares of the company were as stated below:

	<b>"A" Ordinary shares of 50p each</b>	
	<b>31 March 2004</b>	<b>1 April 2003</b>
G N Bishop	318	318
K J Rawlings	113	113
G L Epps	-	-
R G Bishop	-	-
J J Rawlings	-	-
K M Holliday	-	-
S A S Davies	-	-
K D Jones	-	-

	<b>"B" Ordinary shares of £ 1 each</b>	
	<b>31 March 2004</b>	<b>1 April 2003</b>
G N Bishop	69,246	69,246
K J Rawlings	41,635	41,365
G L Epps	1,734	1,734
R G Bishop	7,629	7,629
J J Rawlings	-	-
K M Holliday	-	-
S A S Davies	-	-
K D Jones	-	-

### Charitable contributions

During the year the company made charitable donations of £2,448 (2003: £1,443).

### Substantial interests

The directors are aware of no other shareholding other than certain directors' shareholdings stated above, which comprise 5% or more of the issued share capital of the company.

### Creditor payment policy

The company's current policy in respect of payment of suppliers is to settle accounts in accordance with the settlement terms agreed with the insurer when the account is opened with them. The number of creditor days at the year end was 60 (2003: 63).

### Auditors

Finn-Kelcey and Chapman are resigning as auditors immediately following the completion of their audit for the year ended 31 March 2004.

# BISHOPS PLC

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

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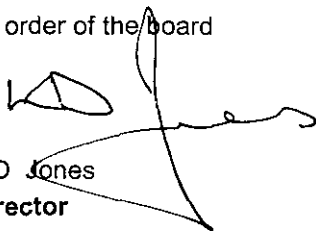
### Directors' responsibilities

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;
- state whether applicable 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 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.

By order of the board



K D Jones

Director

27 August 2004

# BISHOPS PLC

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BISHOPS PLC

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We have audited the financial statements of Bishops plc on pages 5 to 21 for the year ended 31 March 2004. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the directors and auditors**

As described in the statement of directors' responsibilities on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.


### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Finn-Kelcey & Chapman**  
Chartered Accountants  
**Registered Auditors**

27 August 2004

Stourside Place  
Station Road  
Ashford Kent

# BISHOPS PLC

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £	2003 £
<b>Turnover</b>	<b>2</b>		
Continuing operations		2,771,440	2,499,903
Acquisitions		44,605	-
		<u>2,816,045</u>	<u>2,499,903</u>
Administrative expenses		(2,299,614)	(2,226,521)
Other operating income		-	2,100
		<u>516,431</u>	<u>275,482</u>
<b>Operating profit</b>	<b>4</b>		
<b>Operating profit</b>	<b>4</b>		
Continuing operations		482,069	275,482
Acquisitions		34,362	-
		<u>516,431</u>	<u>275,482</u>
Other interest receivable and similar income	<b>5</b>	75,327	62,183
Interest payable and similar charges	<b>6</b>	(5,385)	(12,670)
		<u>586,373</u>	<u>324,995</u>
<b>Profit on ordinary activities before taxation</b>			
		586,373	324,995
Tax on profit on ordinary activities	<b>7</b>	(150,123)	(65,889)
		<u>436,250</u>	<u>259,106</u>
<b>Profit on ordinary activities after taxation</b>			
		436,250	259,106
Dividends	<b>8</b>	(146,248)	(54,000)
		<u>290,002</u>	<u>205,106</u>
<b>Retained profit for the year</b>	<b>18</b>		
		<u>290,002</u>	<u>205,106</u>

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



# BISHOPS PLC

## BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Intangible assets	9	300,545		214,323	
Tangible assets	10	526,880		588,644	
		827,425		802,967	
<b>Current assets</b>					
Debtors	11	2,743,651	3,139,266		
Cash at bank and in hand		2,539,930	1,966,446		
		5,283,581	5,105,712		
<b>Creditors: amounts falling due within one year</b>	13	(4,841,013)	(4,876,702)		
<b>Net current assets</b>		442,568		229,010	
<b>Total assets less current liabilities</b>		1,269,993		1,031,977	
<b>Creditors: amounts falling due after more than one year</b>	14	(26,215)	(78,201)		
		1,243,778	953,776		
<b>Capital and reserves</b>					
Called up share capital	17	138,930	138,930		
Share premium account	18	76,918	76,918		
Revaluation reserve	18	153,041	153,041		
Profit and loss account	18	874,889	584,887		
<b>Shareholders' funds - equity interests</b>	19	1,243,778	953,776		

The financial statements were approved by the Board on 27 August 2004

G N Bishop  
Director

K D Jones  
Director

# BISHOPS PLC

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	2004 £	2003 £
<b>Net cash inflow from operating activities</b>	962,163	732,659
<b>Returns on investments and servicing of finance</b>		
Interest received	75,327	62,183
Interest paid	(4,749)	(6,490)
Interest element of finance lease rentals	(636)	(6,180)
<b>Net cash inflow for returns on investments and servicing of finance</b>	69,942	49,513
<b>Taxation</b>	(53,221)	(63,187)
<b>Capital expenditure</b>		
Payments to acquire intangible assets	(52,430)	-
Payments to acquire tangible assets	(18,610)	(115,649)
Receipts from sales of tangible assets	10,000	67,011
<b>Net cash outflow for capital expenditure</b>	(61,040)	(48,638)
<b>Equity dividends paid</b>	(146,248)	(54,000)
<b>Net cash inflow before management of liquid resources and financing</b>	771,596	616,347
<b>Management of liquid resources</b>		
Cash deposited and fixed term deposit	(448,100)	(969,443)
<b>Financing</b>		
Repayment of loans	(108,507)	(28,255)
Capital element of hire purchase contracts	(10,718)	(44,209)
<b>Net cash outflow from financing</b>	(119,225)	(72,464)
<b>Increase in cash in the year</b>	204,271	(425,560)

# BISHOPS PLC

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004	2003
		£	£
	Operating profit	516,431	275,482
	Depreciation of tangible assets	70,377	72,352
	Amortisation of intangible assets	18,638	13,395
	Profit on disposal of tangible assets	(3)	(19,127)
	Decrease/(increase) in debtors	404,600	(1,001,128)
	(Decrease)/Increase in creditors within one year	(47,880)	1,391,685
	<b>Net cash inflow from operating activities</b>	<b>962,163</b>	<b>732,659</b>

2	Analysis of net funds	1 April 2003	Cash flow	Other non- cash changes	31 March 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	31,611	125,384		156,995
	Bank overdrafts	(78,887)	78,887		-
		<u>(47,276)</u>	<u>204,271</u>		<u>156,995</u>
	Liquid resources:				
	Cash deposited and fixed term deposit	1,934,835	448,100		2,382,935
	Debt:				
	Finance leases	(10,718)	10,718	-	-
	Debts falling due within one year	(30,306)	30,306	-	-
	Debts falling due after one year	(78,201)	78,201	-	-
	<b>Net funds</b>	<b>1,768,334</b>	<b>771,596</b>	<b>-</b>	<b>2,539,930</b>

3	Reconciliation of net cash flow to movement in net funds	2004	2003
		£	£
	Increase in cash in the year	204,271	(425,560)
	Cash outflow from increase in liquid resources	448,100	969,443
	Cash outflow from decrease in debt and lease financing	119,225	72,464
	<b>Movement in net funds in the year</b>	<b>771,596</b>	<b>616,347</b>
	Opening net funds	1,768,334	1,151,987
	<b>Closing net funds</b>	<b>2,539,930</b>	<b>1,768,334</b>

# **BISHOPS PLC**

## **NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004**

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### **4 Liquid resources**

Cash deposited on fixed term deposits are regarded as liquid resources as opposed to cash for the purposes of the cash flow statement.

# BISHOPS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared in accordance with applicable Accounting Standards, under the historical cost convention modified to include the revaluation of freehold land and buildings.

#### 1.2 Insurance broking and commission

Insurance brokerage is credited to the profit and loss account at the inception date of the policy and after making adequate provision for future clawbacks.

#### 1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

#### 1.4 Tangible fixed assets and depreciation

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

Freehold property	Nil
Office equipment	20%/33% Straight line
Office furniture and fittings	10% Straight line
Motor vehicles	25% Straight line

Freehold land and buildings are not depreciated, because in the opinion of the directors, the value of freehold land and buildings as shown in the accounts is not less than their expected residual value at the end of the assets' useful lives. The non-provision of depreciation is a departure from the general requirement of Companies Act 1985 for all tangible assets to be depreciated.

#### 1.5 Leasing

Assets held under lease purchase arrangements that transfer all the risks and benefits of ownership are capitalised. The interest element of the rental obligations is charged to the profit and loss account so as to produce a consistent periodic rate of charge.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

#### 1.6 Pensions

The Company contributes to a defined contributions scheme for one of its Directors. The assets of the scheme are held separately from those of the Company.

In addition the Company also contributes to a group personal pension scheme. The assets of the scheme are held separately from those of the Company and are invested and managed by insurance companies.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees working lives with the company. The contributions are determined by a qualified actuary.

#### 1.7 Deferred taxation

Deferred tax 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.

# BISHOPS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

### 2 Turnover

Turnover comprises brokerage and commission receivable less brokerage and commission payable in respect of business incepted and renewed in the year derived from the single activity of Insurance Broking. The company's turnover is all derived from the United Kingdom.

### 3 Cost of sales and net operating expenses

The total figures for continuing operations in 2004 include the following amounts relating to acquisitions: administrative expenses £10,243.

4 Operating profit	2004 £	2003 £
Operating profit is stated after charging:		
Amortisation of intangible assets	18,638	13,395
Depreciation of tangible assets	70,377	72,352
Operating lease rentals		
- Plant and machinery	89,186	95,213
- Land and buildings	-	(220)
Auditors' remuneration	15,539	14,925

5 Other interest receivable and similar income	2004 £	2003 £
Bank interest	75,327	62,183

6 Interest payable	2004 £	2003 £
On bank loans and overdrafts	4,749	6,490
Lease finance charges	636	6,180
	5,385	12,670

# BISHOPS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

7	Taxation	2004 £	2003 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	159,109	53,221
	Adjustment for prior years	-	(196)
	<b>Current tax charge</b>	159,109	53,025
	<b>Deferred tax</b>		
	Deferred tax (credit)/charge current year	(8,986)	12,864
		150,123	65,889
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	586,373	324,995
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 19.00%)	175,912	61,749
	Effects of:		
	Non deductible expenses	2,287	1,615
	Depreciation	25,131	12,658
	Capital allowances	(19,795)	(20,806)
	Adjustments to previous periods	-	(196)
	Other tax adjustments - Marginal relief	(24,426)	-
	Other tax adjustments - Pension accrual	-	(1,995)
		(16,803)	(8,724)
	<b>Current tax charge</b>	159,109	53,025

No provision has been made for deferred tax on gains recognised on revaluing the company's freehold property as based on its existing use valuation, and current book value, the company would not make a chargeable gain. Details affecting the actual liability that may become due are disclosed in note 26 to the financial statements.

8	Dividends	2004 £	2003 £
	Ordinary interim paid 22 July 2003	146,248	54,000

# BISHOPS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

### 9 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 April 2003	557,920
Additions	104,860
	<hr/>
At 31 March 2004	662,780
	<hr/>
<b>Amortisation</b>	
At 1 April 2003	343,597
Charge for the year	18,638
	<hr/>
At 31 March 2004	362,235
	<hr/>
<b>Net book value</b>	
At 31 March 2004	300,545
	<hr/>
At 31 March 2003	214,323
	<hr/>

In previous years the goodwill on the acquisition of the business of Bluett Smith, totalling £557,920, was being amortised over 10 years. Following a review of the goodwill carried out in the year ended 31 March 2002 the economic life of the Bluett Smith goodwill was extended, with effect from 1 April 2002, to 20 years from the date of purchase.

On 1 July 2003 Bishops Plc purchased the business of Thomas and Lednor (Insurance Brokers) Limited for £104,860. This goodwill is being amortised over its useful economic life of 20 years. The acquisition has been accounted for using acquisition accounting.



# BISHOPS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

### 10 Tangible fixed assets

	Freehold property	Office equipment	Office furniture and fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2003	450,000	184,662	71,143	178,707	884,512
Additions	-	11,514	1,430	5,666	18,610
Disposals	-	-	-	(46,245)	(46,245)
At 31 March 2004	450,000	196,176	72,573	138,128	856,877
<b>Depreciation</b>					
At 1 April 2003	-	146,087	53,194	96,587	295,868
On disposals	-	-	-	(36,248)	(36,248)
Charge for the year	-	24,014	3,868	42,495	70,377
At 31 March 2004	-	170,101	57,062	102,834	329,997
<b>Net book value</b>					
At 31 March 2004	450,000	26,075	15,511	35,294	526,880
At 31 March 2003	450,000	38,575	17,949	82,120	588,644

The freehold property was revalued on 5 May 2004 by Caxtons Chartered Surveyors, who are independent of the company, at £450,000 on an open market value basis subject to proposed tenancy.

#### Comparable historical cost for the land and buildings included at valuation:

	£
<b>Cost</b>	
Historical cost at 1 April 2003 and at 31 March 2004	296,959
<b>Depreciation based on cost</b>	
At 1 April 2003	-
Charge for the year	-
At 31 March 2004	-
<b>Net book values</b>	
At 31 March 2004	296,959
At 31 March 2003	296,959

# BISHOPS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

### 10 Tangible fixed assets - Continued

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
<b>Net book values</b>	
At 31 March 2004	-
At 31 March 2003	14,163
<b>Depreciation charge for the year</b>	
At 31 March 2004	-
At 31 March 2003	9,164

11 Debtors	2004 £	2003 £
Trade debtors	2,685,498	3,031,464
Other debtors	11,472	23,340
Prepayments and accrued income	24,449	71,216
Deferred tax asset	22,232	13,246
	<u>2,743,651</u>	<u>3,139,266</u>

#### Deferred tax

	2004 £	2003 £
Balance at 1 April 2003	13,246	26,110
Profit and loss account	8,986	(12,864)
Balance at 31 March 2004	<u>22,232</u>	<u>13,246</u>

	2004 £	2003 £
Depreciation in excess of capital allowances	<u>22,232</u>	<u>13,246</u>

# BISHOPS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

### 12 Cash at bank and in hand

Included in bank balances are insurance broking bank accounts in which clients funds are held separately from those of the company's own funds, over which the bank has no right of set off.

### 13 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	-	109,193
Net obligations under finance leases	-	10,718
Trade creditors	4,229,981	4,421,570
Corporation tax	159,109	53,221
Other taxes and social security costs	74,982	99,520
Other creditors	221,956	42,490
Accruals and deferred income	154,985	139,990
	<u>4,841,013</u>	<u>4,876,702</u>
Debt due in one year or less	-	<u>30,306</u>

The bank loan was secured by a first charge over the company's freehold property.

#### Net obligations under finance leases

Repayable within one year	-	11,304
Finance charges and interest allocated to future accounting periods	-	(586)
	<u>-</u>	<u>10,718</u>

# BISHOPS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

14 Creditors: amounts falling due after more than one year	2004 £	2003 £
Bank loans	-	78,201
Other creditors	26,215	-
	<u>26,215</u>	<u>78,201</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	-	108,507
	<u>-</u>	<u>108,507</u>
Included in current liabilities	-	(30,306)
	<u>-</u>	<u>78,201</u>
<b>Loan maturity analysis</b>		
Between one and two years	-	31,717
Between two and five years	-	46,484
	<u>-</u>	<u>78,201</u>

The bank loan was secured by a fixed charge on the freehold property of the company.

The interest payable on the bank loan was at the rate of 1.25% above the Bank Base Rate.

### 15 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 11) is made up as follows:

	2004 £	2003 £
Balance at 1 April 2003	(13,246)	
Profit and loss account	(8,986)	
	<u>(22,232)</u>	
Balance at 31 March 2004		
	<u>(22,232)</u>	<u>(13,246)</u>

# BISHOPS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

### 16 Pension costs

#### Defined contribution

	2004 £	2003 £
Contributions payable by the company for the year	169,147	175,806

### 17 Share capital

	2004 £	2003 £
<b>Authorised</b>		
500 "A" Ordinary shares of 50p each	250	250
149,800 "B" Ordinary shares of £1 each	149,800	149,800
	<u>150,050</u>	<u>150,050</u>
<b>Allotted, called up and fully paid</b>		
431 "A" Ordinary shares of 50p each	216	216
138,714 "B" Ordinary shares of £1 each	138,714	138,714
	<u>138,930</u>	<u>138,930</u>

The company's "A" and "B" shares are both equity shares, with the distinction between the shares being that the "A" shares are normal voting shares, whereas the "B" shares are non voting equity shares, except in certain circumstances. The circumstances in question are that "B" shares will have voting rights when a resolution regarding the winding up of the company or a reduction in its share capital is being voted upon. Further details regarding these voting rights can be found in the company's Articles of Association.

### 18 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2003	76,918	153,041	584,887
Retained profit for the year	-	-	290,002
	<u>76,918</u>	<u>153,041</u>	<u>874,889</u>

# BISHOPS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

19 Reconciliation of movements in shareholders' funds	2004 £	2003 £
Profit for the financial year	436,250	259,106
Dividends	(146,248)	(54,000)
Net addition to shareholders' funds	290,002	205,106
Opening shareholders' funds	953,776	748,670
Closing shareholders' funds	1,243,778	953,776

## 20 Financial commitments

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004 £	2003 £
Expiry date:		
Within one year	82,907	-
Between two and five years	4,355	75,929
	87,262	75,929

21 Directors' emoluments	2004 £	2003 £
Emoluments for qualifying services	576,209	591,479
Company pension contributions to money purchase schemes	82,022	87,717
	658,231	679,196

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 8 (2003- 10).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	99,449	74,425
Company pension contributions to money purchase schemes	10,959	16,688

The Company operates a money purchase scheme for the benefit of Staff and Directors.

The Company does not operate any share option schemes and the highest paid director was therefore unable to exercise any share options or become entitled to any shares under long term incentive scheme

# BISHOPS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

### 22 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 2004	2003	Maximum in year
	£	£	£
G L Epps	-	200	200
J Rawlings	-	2,500	2,500
K D Jones	-	1,668	1,668
	<u>          </u>	<u>          </u>	<u>          </u>

### 23 Employees

#### Number of employees

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

2004 Number	2003 Number
49	50
<u>          </u>	<u>          </u>

#### Employment costs

	£	£
Wages and salaries	1,383,888	1,305,456
Social security costs	140,322	140,001
Other pension costs	169,147	175,806
	<u>          </u>	<u>          </u>
	1,693,357	1,621,263
	<u>          </u>	<u>          </u>

### 24 Control

The company is controlled by Mr G N Bishop, who is a director and majority shareholder.

### 25 Related party transactions

Centrix Solutions Limited

R G Bishop and K D Jones, directors of Bishops Plc, are also directors of Centrix Solutions Limited. R G Bishop is a 50% shareholder of Centrix Solutions Limited.

As at 31 March 2004, Centrix Solutions Limited owed Bishops plc £8,000 (2003 - £15,000).

# **BISHOPS PLC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004**

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### **26 Post balance sheet event**

The company have exchanged contracts, subject to completion, to sell the company's freehold property for £725,000. Completion is expected to take place no later than 30 September 2004. If the property is sold at this price corporation tax amounting to £59,322 will become payable on the chargeable gain.