

Company Registration No. 725887 (England and Wales)

BISHOPS LIMITED
(FORMERLY BISHOPS PLC)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2004



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

BISHOPS LIMITED
(FORMERLY BISHOPS PLC)
COMPANY INFORMATION

Directors	B Etchells R G Bishop D A Hinton	(Appointed 1 September 2004) (Appointed 1 September 2004)
Secretary	K D Jones	
Company number	725887	
Registered office	Becket House Vestry Road Otford 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	
	Bank of Scotland Queen Square House 15 Queen Square Brighton	

BISHOPS LIMITED
(FORMERLY BISHOPS PLC)
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BISHOPS LIMITED
(FORMERLY BISHOPS PLC)
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2004

The directors present their report and financial statements for the period ended 31 December 2004.

Principal activities and review of the business

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

The period ending 31 December 2004 saw major changes within the company.

The company was acquired on 1 September 2004 by Belmont Insurance Holdings Limited (BIH). Bishops now join Belmont International Limited as a wholly owned trading subsidiary of BIH forming a major independent Insurance Broking, Risk Management and Financial Services operation based in Kent.

Bishops former chairman, Geoffrey Bishop, has retired from the Board and taken up a consultancy role. His son Richard remains as Managing Director.

Our offices in High Halden were sold to a property management company prior to the sale of the share capital. The company is now leasing these premises back for two years at which time the business will move to premises in the Ashford area.

As the company is now a subsidiary of a limited company we have changed our name from Bishops PLC to Bishops Limited. The financial year has changed to 31 December to be co-terminus with Belmont's.

Bishops obtained its FSA approval ahead of the 14 January 2005 deadline. With our ISO quality system we are well placed to take advantage of the new regulatory regime.

Operating profits continue to be strong at £163,000 compared to £516,000 in the previous full year.

Results and dividends

The results for the period are set out on pages 5 to 6.

An interim ordinary dividend was paid amounting to £750,000. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 April 2004:

B Etchells	(Appointed 1 September 2004)
G N Bishop	(Resigned 1 September 2004)
K J Rawlings	(Resigned 1 September 2004)
G L Epps	(Resigned 1 September 2004)
R G Bishop	
J J Rawlings	(Resigned 1 September 2004)
D A Hinton	(Appointed 1 September 2004)
K M Holliday	(Resigned 1 September 2004)
K D Jones	(Resigned 31 March 2005)

BISHOPS LIMITED
(FORMERLY BISHOPS PLC)
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2004

Directors' interests

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

	"A" Ordinary shares of 50p each	
	31 December 2004	1 April 2004
R G Bishop	-	-
B Etchells	-	-
D A Hinton	-	-
K D Jones	-	-

	"B" Ordinary shares of £ 1 each	
	31 December 2004	1 April 2004
R G Bishop	-	7,629
B Etchells	-	-
D A Hinton	-	-
K D Jones	-	-

Charitable contributions

During the period the company made charitable donations of £2,200 (2004: £2,448).

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 31 December 2004 was 58 (31 March 2004: 60).

Auditors

Finn-Kelcey & Chapman were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

BISHOPS LIMITED
(FORMERLY BISHOPS PLC)
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2004


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



B Etchells

Director

20 April 2005

**BISHOPS LIMITED
(FORMERLY BISHOPS PLC)
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF BISHOPS LIMITED**

We have audited the financial statements of Bishops Limited on pages 5 to 20 for the period ended 31 December 2004. These financial statements have been prepared under the historical cost convention 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 December 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Finn-Kelcey & Chapman
Chartered Accountants
Registered Auditors

5 May 2005

Stourside Place
Station Road
Ashford Kent

BISHOPS LIMITED
(FORMERLY BISHOPS PLC)
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2004

		Period ended 31 December 2004 £	Year ended 31 March 2004 £
	Notes		
Turnover	2	2,152,456	2,816,045
Administrative expenses		(1,989,432)	(2,299,614)
Operating profit	3	163,024	516,431
Exceptional items			
Gain on disposal of Freehold Property		269,125	-
Profit on ordinary activities before interest		432,149	516,431
Other interest receivable and similar income	4	84,123	75,327
Interest payable and similar charges	5	(562)	(5,385)
Profit on ordinary activities before taxation		515,710	586,373
Tax on profit on ordinary activities	6	(128,788)	(150,123)
Profit on ordinary activities after taxation		386,922	436,250
Dividends	7	(750,000)	(146,248)
Retained (loss)/profit for the period	17	(363,078)	290,002

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.

BISHOPS LIMITED
(FORMERLY BISHOPS PLC)
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2004

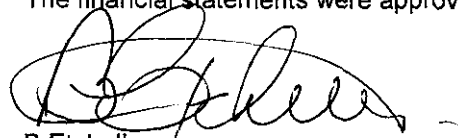
Note of historical cost profits and losses

	Period ended 31 December 2004 £	Year ended 31 March 2004 £
Reported profit on ordinary activities before taxation	515,710	586,373
Realisation of Property Revaluation gains of previous years	153,041	-
	<u>668,751</u>	<u>586,373</u>
Historical cost profit on ordinary activities before taxation	668,751	586,373
Historical cost (loss)/profit for the period retained after taxation, extraordinary items and dividends	<u>(210,037)</u>	<u>290,002</u>

BISHOPS LIMITED
(FORMERLY BISHOPS PLC)
BALANCE SHEET
AS AT 31 DECEMBER 2004

	Notes	31 December 2004		31 March 2004	
		£	£	£	£
Fixed assets					
Intangible assets	8	281,235		300,545	
Tangible assets	9	44,426		526,880	
			<u>325,661</u>		<u>827,425</u>
Current assets					
Debtors	10	2,016,413		2,743,651	
Cash at bank and in hand		2,049,658		2,539,930	
		<u>4,066,071</u>		<u>5,283,581</u>	
Creditors: amounts falling due within one year	12	<u>(3,511,032)</u>		<u>(4,841,013)</u>	
Net current assets			<u>555,039</u>		<u>442,568</u>
Total assets less current liabilities			<u>880,700</u>		<u>1,269,993</u>
Creditors: amounts falling due after more than one year	13		-		(26,215)
			<u>880,700</u>		<u>1,243,778</u>
Capital and reserves					
Called up share capital	16	138,930		138,930	
Share premium account	17	76,918		76,918	
Revaluation reserve	17	-		153,041	
Profit and loss account	17	664,852		874,889	
Shareholders' funds - equity interests	18		<u>880,700</u>		<u>1,243,778</u>

The financial statements were approved by the Board on 20 April 2005


 B Etchells
 Director

BISHOPS LIMITED
(FORMERLY BISHOPS PLC)
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2004

	Period ended 31 December 2004 £	Year ended 31 March 2004 £
Net cash (outflow)/inflow from operating activities	(355,541)	962,163
Returns on investments and servicing of finance		
Interest received	84,123	75,327
Interest paid	(562)	(4,749)
Interest element of finance lease rentals	-	(636)
	<u>83,561</u>	<u>69,942</u>
Net cash inflow for returns on investments and servicing of finance	83,561	69,942
Taxation	(159,109)	(53,221)
Capital expenditure		
Payments to acquire intangible assets	(45,249)	(52,430)
Payments to acquire tangible assets	(7,185)	(18,610)
Receipts from sales of tangible assets	743,251	10,000
	<u>690,817</u>	<u>(61,040)</u>
Net cash inflow/(outflow) for capital expenditure	690,817	(61,040)
Equity dividends paid	(750,000)	(146,248)
	<u>(490,272)</u>	<u>771,596</u>
Net cash (outflow)/inflow before management of liquid resources and financing	(490,272)	771,596
Management of liquid resources		
Cash deposited and fixed term deposit	2,382,935	(448,100)
Financing		
Repayment of loans	-	(108,507)
Capital element of hire purchase contracts	-	(10,718)
	<u>-</u>	<u>(119,225)</u>
Net cash outflow from financing	-	(119,225)
Increase in cash in the period	<u>1,892,663</u>	<u>204,271</u>

BISHOPS LIMITED
(FORMERLY BISHOPS PLC)
NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2004

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities		Period ended 31 December 2004	Year ended 31 March 2004	
			£	£	
	Operating profit		163,024	516,431	
	Depreciation of tangible assets		31,031	70,377	
	Amortisation of intangible assets		12,129	18,638	
	Profit on disposal of tangible assets		(15,518)	(3)	
	Decrease in debtors		721,210	404,600	
	Decrease in creditors within one year		(1,267,417)	(47,880)	
	Net cash (outflow)/inflow from operating activities		(355,541)	962,163	
2	Analysis of net funds	1 April 2004	Cash flow	Other non-cash changes	31 December 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	156,995	1,892,663		2,049,658
	Liquid resources:				
	Cash deposited and fixed term deposit	2,382,935	(2,382,935)		-
	Net funds	2,539,930	(490,272)	-	2,049,658
3	Reconciliation of net cash flow to movement in net funds		31 December 2004	31 March 2004	
			£	£	
	Increase in cash in the period		1,892,663	204,271	
	Cash (outflow)/inflow from liquid resources		(2,382,935)	448,100	
	Cash outflow from decrease in debt		-	119,225	
	Movement in net funds in the period		(490,272)	771,596	
	Opening net funds		2,539,930	1,768,334	
	Closing net funds		2,049,658	2,539,930	

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. There were no such items at 31 December 2004.

BISHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared in accordance with applicable Accounting Standards, under the historical cost convention.

1.2 Insurance broking and commission

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

Insurance broker balances more than 3 years old are assumed no longer payable and are therefore credited to turnover. This is a change from the previous accounting policy which was to credit balances to turnover once they were older than 6 years. The effect on the financial statements of this change in accounting policy is to increase turnover by £181,461.

1.3 Goodwill

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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land 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:

Freehold property	Nil
Office equipment	33.3% Straight line
Office furniture and fittings	33.3% Straight line
Motor vehicles	25% Straight line

Office furniture and fittings depreciation rate was previously 10% straight line. As a result of a review of asset lives which coincided with a change in ownership of the Company, it was decided to change the depreciation policy to that stated above. The effect of this change in policy is to increase the depreciation charge for the period by £10,559.

1.5 Leasing

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, G N Bishop (Insurance Brokers) Limited Group Personal Pension Scheme, for one of its former Directors. The assets of the scheme are held separately from those of the Company.

In addition the company also contributes to the Bishops Limited Group Personal Pension Scheme. The assets of this 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 the pensions over employees working lives with the company. The contributions are determined by a qualified actuary.

BISHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

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.

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 Operating profit

	Period ended 31 December 2004	Year ended 31 March 2004
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	12,129	18,638
Depreciation of tangible assets	31,031	70,377
Operating lease rentals		
- Plant and machinery	68,434	89,186
- Land and buildings	10,658	-
Auditors' remuneration	11,247	15,539

4 Other interest receivable and similar income

	Period ended 31 December 2004	Year ended 31 March 2004
	£	£
Bank interest	84,077	75,327
Other interest on taxation repayments	46	-
	84,123	75,327

5 Interest payable

	Period ended 31 December 2004	Year ended 31 March 2004
	£	£
On bank loans and overdrafts	562	4,749
Lease finance charges	-	636
	562	5,385

BISHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

6	Taxation	Period ended 31 December 2004	Year ended 31 March 2004
		£	£
	Domestic current year tax		
	U.K. corporation tax	122,760	159,109
	Deferred tax		
	Deferred tax movement in current year	6,028	(8,986)
		<u>128,788</u>	<u>150,123</u>
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	<u>515,710</u>	<u>586,373</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	<u>154,713</u>	<u>175,912</u>
	Effects of:		
	Non deductible expenses	2,482	2,287
	Depreciation	7,668	25,131
	Capital allowances	(10,682)	(19,795)
	Exceptional gain on disposal of property	(80,737)	-
	Chargeable disposals - sale of property	49,316	-
	Other tax adjustments - Marginal relief	-	(24,426)
		<u>(31,953)</u>	<u>(16,803)</u>
	Current tax charge	<u>122,760</u>	<u>159,109</u>
7	Dividends	Period ended 31 December 2004	Year ended 31 March 2004
		£	£
	Ordinary interim paid to parent company	<u>750,000</u>	<u>146,248</u>

BISHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2004	662,780
Revaluation	(7,181)
	<hr/>
At 31 December 2004	655,599
	<hr/>
Amortisation	
At 1 April 2004	362,235
Charge for the period	12,129
	<hr/>
At 31 December 2004	374,364
	<hr/>
Net book value	
At 31 December 2004	281,235
	<hr/>
At 31 March 2004	300,545
	<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. The purchase price was revised on 1 July 2004 to £97,679 due to a decrease in income during the earn-out period. This goodwill is being amortised over its useful economic life of 20 years.

BISHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

9 Tangible fixed assets

	Freehold property	Office equipment	Office furniture and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2004	450,000	196,176	72,573	138,128	856,877
Additions	-	7,185	-	-	7,185
Disposals	(450,000)	-	-	(74,834)	(524,834)
At 31 December 2004	-	203,361	72,573	63,294	339,228
Depreciation					
At 1 April 2004	-	170,101	57,062	102,834	329,997
On disposals	-	-	-	(66,226)	(66,226)
Charge for the period	-	11,656	14,292	5,083	31,031
At 31 December 2004	-	181,757	71,354	41,691	294,802
Net book value					
At 31 December 2004	-	21,604	1,219	21,603	44,426
At 31 March 2004	450,000	26,075	15,511	35,294	526,880

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

	£
Cost	
At 1 April 2004	296,959
Disposals	(296,959)
At 31 December 2004	-
Depreciation based on cost	
At 1 April 2004	-
Charge for the period	-
At 31 December 2004	-
Net book value	
At 31 December 2004	-
At 31 March 2004	296,959

BISHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

10 Debtors	31 December 2004 £	31 March 2004 £
Trade debtors	1,926,034	2,685,498
Other debtors	5,208	11,472
Prepayments and accrued income	68,967	24,449
Deferred tax asset (see note 14)	16,204	22,232
	<u>2,016,413</u>	<u>2,743,651</u>

11 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.

12 Creditors: amounts falling due within one year	31 December 2004 £	31 March 2004 £
Trade creditors	3,055,154	4,229,981
Amounts owed to parent and fellow subsidiary undertakings	165,000	-
Corporation tax	122,760	159,109
Other taxes and social security costs	42,385	74,982
Other creditors	4,638	221,956
Accruals and deferred income	121,095	154,985
	<u>3,511,032</u>	<u>4,841,013</u>

13 Creditors: amounts falling due after more than one year	31 December 2004 £	31 March 2004 £
Other creditors	-	26,215
	<u>-</u>	<u>26,215</u>

BISHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

14 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 10) is made up as follows:

	2004 £
Balance at 1 April 2004	(22,232)
Profit and loss account	6,028
Balance at 31 December 2004	<u>(16,204)</u>

	31 December 2004 £	31 March 2004 £
Decelerated capital allowances	<u>(16,204)</u>	<u>(22,232)</u>

15 Pension costs

Defined contribution

	31 December 2004 £	31 March 2004 £
Contributions payable by the company for the period	<u>123,513</u>	<u>169,147</u>

BISHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

16 Share capital	31 December 2004 £	31 March 2004 £
Authorised		
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>
Allotted, called up and fully paid		
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.

17 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2004	76,918	153,041	874,889
Retained loss for the period	-	-	(363,078)
Transfer from revaluation reserve to profit and loss account	-	(153,041)	153,041
Balance at 31 December 2004	<u>76,918</u>	<u>-</u>	<u>664,852</u>

18 Reconciliation of movements in shareholders' funds

	31 December 2004 £	31 March 2004 £
Profit for the financial period	386,922	436,250
Dividends	(750,000)	(146,248)
Net (depletion in)/addition to shareholders' funds	<u>(363,078)</u>	<u>290,002</u>
Opening shareholders' funds	1,243,778	953,776
Closing shareholders' funds	<u>880,700</u>	<u>1,243,778</u>

BISHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

19 Contingent liabilities

During the period the company entered into a debenture in favour of the The Governor and Company of Bank of Scotland which constituted a first legal mortgage over specified freehold and leasehold property, first fixed and floating charges over present and future property undertakings and assets, and the assignment of the company's right, title and interest in any hedging agreements. The debenture relates to financial assistance given to Belmont Insurance Holdings Limited, with regard to its purchase of Bishops Limited shares on 1 September 2004.

The company also entered into a guarantee in favour of the Bank to guarantee the payment or discharge by the buyer of the company's shares, Belmont Insurance Holdings Limited, facilities totaling £3.6m.

The directors are not aware of any liability requiring disclosure or recognition in the financial statements relating to the above at the present time.

20 Financial commitments

At 31 December 2004 the company was committed to making the following payments under non-cancellable operating leases in the period 31 December 2005:

	Land and buildings		Other	
	31 December	31 March	31 December	31 March
	2004	2004	2004	2004
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	14,081	82,907
Between two and five years	-	-	4,355	4,355
In over five years	40,000	-	-	-
	<u>40,000</u>	<u>-</u>	<u>18,436</u>	<u>87,262</u>

BISHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

21 Directors' emoluments	Period ended 31 December 2004	Year ended 31 March 2004
	£	£
Emoluments for qualifying services	266,410	576,209
Company pension contributions to money purchase schemes	42,458	82,022
Compensation for loss of office	30,000	-
	<u>338,868</u>	<u>658,231</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2004- 8).

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

Emoluments for qualifying services	67,184	99,449
Company pension contributions to money purchase schemes	6,895	10,959
	<u>74,079</u>	<u>110,408</u>

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

22 Transactions with directors

The following former director of the company had an interest free loan during the period. The movement on this loan is as follows:

	Amount outstanding 31 December 2004	31 March 2004	Maximum in period
	£	£	£
G L Epps	<u>3,125</u>	<u>-</u>	<u>5,000</u>

BISHOPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2004

23 Employees

Number of employees

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

31 December 2004 Number	31 March 2004 Number
50	49

Employment costs

	Period ended 31 December 2004 £	Year ended 31 March 2004 £
Wages and salaries	1,083,500	1,383,888
Social security costs	118,363	140,322
Other pension costs	123,513	169,147
	<u>1,325,376</u>	<u>1,693,357</u>

24 Control

The directors regard Belmont Insurance Holdings Limited as the ultimate parent company. Belmont Insurance Holdings Limited is ultimately controlled by B Etchells, also a director of Bishops Limited. The consolidated financial statements of the parent company may be obtained from Becket House, Vestry Road, Otford Kent, TN14 5 EL.

25 Related party transactions

Centrix Solutions Limited

K D Jones, a director of Bishops Limited, is also a director of Centrix Solutions Limited. R G Bishop, a director of Bishops Limited, was also a director of Centrix Solutions Limited until November 2004, when he resigned. R G Bishop was a 50% shareholder of Centrix Solutions Limited until November 2004 when the share holding was reduced to 1%.

During the period ended 31 December 2004, a loan to Centrix Solutions Limited amounting to £4,000, was written off to the profit and loss account. A repayment of £4,000 was also made during the period. At 31 December 2004 no amounts were due from the company. (31 March 2004 : £8,000).