

Company Registration No. 725887 (England and Wales)

BISHOPS PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

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



BISHOPS PLC

COMPANY INFORMATION

Directors

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

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
81 High Street
Ashford Kent

Solicitors

Girlings
Stourside Place
Station Road
Ashford Kent

BISHOPS PLC

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BISHOPS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and financial statements for the year ended 31 March 2003.

Principal activities and review of the business

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

The years trading has been satisfactory. We have continued to refine our client base enabling us to focus on our core business activities - commercial insurance, risk management, high net worth and healthcare. The business has been restructured to focus on these elements. All private motor insurance is now outsourced.

During the year we introduced a non-contractual profit related bonus scheme for our administrative staff and the cost of this is reflected in these accounts.

Results and dividends

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

An interim ordinary dividend was paid amounting to £54,000. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 April 2002:

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

(Resigned 30 June 2002)

(Resigned 31 March 2003)

BISHOPS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

Directors' interests

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

"A" Ordinary shares of 50p each

	31 March 2003	1 April 2002
--	---------------	--------------

G N Bishop	318	318
K J Rawlings	113	113
G L Epps	-	-
R G Bishop	-	-
J J Rawlings	-	-
R E Farr	-	-
K M Holliday	-	-
S A S Davies	-	-
K D Jones	-	-
G N Dowse	-	-

"B" Ordinary shares of £ 1 each

	31 March 2003	1 April 2002
--	---------------	--------------

G N Bishop	69,246	69,246
K J Rawlings	41,365	41,365
G L Epps	1,734	1,734
R G Bishop	7,629	7,629
J J Rawlings	-	-
R E Farr	-	-
K M Holliday	-	-
S A S Davies	-	-
K D Jones	-	-
G N Dowse	-	-

Charitable contributions

During the year the company made charitable donations of £1,443 (2002 : £2,109).

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 63 (2002: 73).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Finn-Kelcey & Chapman be reappointed as auditors of the company will be put to the Annual General Meeting.

BISHOPS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

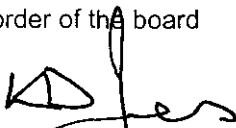
Directors' responsibilities

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

25 July 2003

BISHOPS PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BISHOPS PLC

We have audited the financial statements on pages 5 to 21 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 11.

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 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 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 2003 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

28 July 2003

Stourside Place
Station Road
Ashford Kent

BISHOPS PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Turnover	2	2,499,903	2,551,987
Administrative expenses		(2,226,521)	(2,603,516)
Other operating income		2,100	5,200
Operating profit/(loss)	3	275,482	(46,329)
Exceptional items			
Gain on disposal of unlisted investment	3	-	253,418
Impairment loss on purchased goodwill	3	-	(162,826)
Profit on ordinary activities before interest		275,482	44,263
Other interest receivable and similar income	4	62,183	33,980
Interest payable and similar charges	5	(12,670)	(23,143)
Profit on ordinary activities before taxation		324,995	55,100
Tax on profit on ordinary activities	6	(65,889)	(37,273)
Profit on ordinary activities after taxation		259,106	17,827
Dividends	7	(54,000)	-
Retained profit for the year	16	205,106	17,827

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

BISHOPS PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2003

	2003 £	2002 £
Profit for the financial year	259,106	17,827
Unrealised surplus on revaluation of properties	-	30,000
Total recognised gains and losses relating to the year	<u>259,106</u>	<u>47,827</u>

BISHOPS PLC

BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003		2002	
		£	£	£	£
Fixed assets					
Intangible assets	8	214,323		227,718	
Tangible assets	9	588,644		593,232	
		<u>802,967</u>		<u>820,950</u>	
Current assets					
Debtors	10	3,139,266	2,151,002		
Cash at bank and in hand		1,966,446	1,343,676		
		<u>5,105,712</u>	<u>3,494,678</u>		
Creditors: amounts falling due within one year	12	<u>(4,876,702)</u>	<u>(3,443,870)</u>		
Net current assets		<u>229,010</u>		<u>50,808</u>	
Total assets less current liabilities		<u>1,031,977</u>		<u>871,758</u>	
Creditors: amounts falling due after more than one year	13	<u>(78,201)</u>		<u>(123,088)</u>	
		<u>953,776</u>		<u>748,670</u>	
Capital and reserves					
Called up share capital	15	138,930		138,930	
Share premium account	16	76,918		76,918	
Revaluation reserve	16	153,041		153,041	
Profit and loss account	16	584,887		379,781	
Shareholders' funds - equity interests	17	<u>953,776</u>		<u>748,670</u>	

The financial statements were approved by the Board on 25 July 2003

G N Bishop
Director

K D Jones
Director

BISHOPS PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

	2003 £	2002 £
Net cash inflow from operating activities	732,659	590,536
Returns on investments and servicing of finance		
Interest received	62,183	41,980
Interest paid	(6,490)	(13,493)
Interest element of finance lease rentals	(6,180)	(9,650)
Net cash inflow for returns on investments and servicing of finance	49,513	18,837
Taxation	(63,187)	(32,323)
Capital expenditure and financial investment		
Payments to acquire intangible assets	-	(130,000)
Payments to acquire tangible assets	(115,649)	(53,596)
Receipts from sales of tangible assets	67,011	31,455
Receipts from sales of investments	-	300,000
Net cash outflow for capital expenditure	(48,638)	147,859
Equity dividends paid	(54,000)	-
Net cash inflow before management of liquid resources and financing	616,347	724,909
Management of liquid resources		
Cash deposited and fixed term deposit	(969,443)	(124,211)
Financing		
Repayment of loans	(28,255)	(26,193)
Capital element of hire purchase contracts	(44,209)	(66,095)
Net cash outflow from financing	(72,464)	(92,288)
Increase in cash in the year	<u>(425,560)</u>	<u>508,410</u>

BISHOPS PLC

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2003	2002
		£	£
	Operating profit/(loss)	275,482	(46,329)
	Depreciation of tangible assets	72,352	108,197
	Amortisation of intangible assets	13,395	55,792
	Profit on disposal of tangible assets	(19,127)	(4,978)
	(Increase)/decrease in debtors	(1,001,128)	713,050
	Increase/(decrease) in creditors within one year	1,391,685	(235,196)
	Net cash inflow from operating activities	732,659	590,536

2	Analysis of net funds	1 April 2002	Cash flow	Other non- 31 March 2003 cash changes
		£	£	£
	Net cash:			
	Cash at bank and in hand	378,284	(346,673)	31,611
	Bank overdrafts	-	(78,887)	(78,887)
		<u>378,284</u>	<u>(425,560)</u>	<u>(47,276)</u>
	Liquid resources:			
	Cash deposited and fixed term deposit	965,392	969,443	1,934,835
	Debt:			
	Finance leases	(54,927)	44,209	-
	Debts falling due within one year	(25,511)	(4,795)	(30,306)
	Debts falling due after one year	(111,251)	33,050	(78,201)
		<u>(191,689)</u>	<u>72,464</u>	<u>(119,225)</u>
	Net funds	1,151,987	616,347	1,768,334

BISHOPS PLC

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

3	Reconciliation of net cash flow to movement in net funds	2003	2002
		£	£
	Increase in cash in the year	(425,560)	508,410
	Cash outflow from increase in liquid resources	969,443	124,211
	Cash outflow from decrease in debt and lease financing	72,464	92,288
		<hr/>	<hr/>
	Change in net debt resulting from cash flows	616,347	724,909
	New finance lease	-	(14,995)
		<hr/>	<hr/>
	Movement in net funds in the year	616,347	709,914
	Opening net funds	1,151,987	442,073
		<hr/>	<hr/>
	Closing net funds	1,768,334	1,151,987
		<hr/>	<hr/>

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 2003

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.

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.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

BISHOPS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

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/(loss)	2003 £	2002 £
Operating profit/(loss) is stated after charging:		
Amortisation of intangible assets	13,395	55,792
Depreciation of tangible assets	72,352	108,197
Operating lease rentals		
- Plant and machinery	95,213	99,075
- Land and buildings	(220)	11,909
Auditors' remuneration	14,925	14,000
Remuneration of auditors for non-audit work	-	6,973

The gain on disposal of unlisted investments of £253,418 in the year to 31 March 2002 represented the disposal of the company's 18% holding in Advisory and Financial Planning Services Limited.

Following an impairment review of purchased goodwill, the company realised a permanent diminution of purchased goodwill of £162,826 in the year ended 31 March 2002.

4 Other interest receivable and similar income	2003 £	2002 £
Bank interest	62,183	33,917
Other interest on taxation repayments	-	63
	62,183	33,980

5 Interest payable	2003 £	2002 £
Is stated after charging:		
On bank loans and overdrafts	6,490	13,493
Lease finance charges	6,180	9,650
	12,670	23,143

BISHOPS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

6	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	53,221	63,383
	Adjustment for prior years	(196)	-
	Current tax charge	53,025	63,383
	Deferred tax		
	Deferred tax charge/credit current year	12,864	(26,110)
		65,889	37,273
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	324,995	55,100
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002 : 30.00%)	61,749	16,530
	Effects of:		
	Non deductible expenses	1,615	13,108
	Depreciation	12,658	47,704
	Capital allowances	(20,806)	(30,691)
	Impairment review	-	48,848
	Adjustments to previous periods	(196)	-
	Chargeable disposals	-	(2,376)
	Other tax adjustments - Marginal relief	-	(29,740)
	Other tax adjustments - Pension accrual	(1,995)	-
		(8,724)	46,853
	Current tax charge	53,025	63,383

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, the company would not make a chargeable gain.

7	Dividends	2003 £	2002 £
	Ordinary interim paid 10 April 2002	54,000	-

BISHOPS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2002 & at 31 March 2003	557,920
Amortisation	
At 1 April 2002	330,202
Charge for the year	13,395
At 31 March 2003	343,597
Net book value	
At 31 March 2003	214,323
At 31 March 2002	227,718

In previous years the goodwill on the acquisition of the business of Bluett Smith 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 asset was extended, with effect from 1 April 2002, to 20 years from the date of purchase.

BISHOPS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

9 Tangible fixed assets

	Freehold property	Office equipment	Office furniture and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2002	450,000	134,672	69,709	289,004	943,385
Additions	-	49,990	1,434	64,225	115,649
Disposals	-	-	-	(174,522)	(174,522)
At 31 March 2003	450,000	184,662	71,143	178,707	884,512
Depreciation					
At 1 April 2002	-	113,326	48,717	188,110	350,153
On disposals	-	-	-	(126,637)	(126,637)
Charge for the year	-	32,761	4,477	35,114	72,352
At 31 March 2003	-	146,087	53,194	96,587	295,868
Net book value					
At 31 March 2003	450,000	38,575	17,949	82,120	588,644
At 31 March 2002	450,000	21,346	20,992	100,894	593,232

The freehold property was revalued on the 31 October 2001 by Caxtons Chartered Surveyors, who are independent of the company, at £450,000 on an open market value basis with vacant possession.

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

	£
Cost	
Historical cost at 1 April 2002 and at 31 March 2003	296,959
Depreciation based on cost	
At 1 April 2002	-
Charge for the year	-
At 31 March 2003	-
Net book values	
At 31 March 2003	296,959
At 31 March 2002	296,959

BISHOPS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

9 Tangible fixed assets - Continued

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

	Office equipment £	Motor vehicles £	Total £
Net book values			
At 31 March 2003	-	14,163	14,163
At 31 March 2002	7,432	67,274	74,706
Depreciation charge for the year			
31 March 2003	-	9,164	9,164
31 March 2002	14,865	45,022	59,887

10 Debtors

	2003 £	2002 £
Trade debtors	3,031,464	1,946,357
Other debtors	23,340	27,974
Prepayments and accrued income	71,216	150,561
Deferred tax asset	13,246	26,110
	<u>3,139,266</u>	<u>2,151,002</u>

Deferred tax

	2003 £	2002 £
Balance at 1 April 2002	26,110	-
Profit and loss account	(12,864)	26,110
Balance at 31 March 2003	<u>13,246</u>	<u>26,110</u>

	2003 £	2002 £
Accelerated capital allowances	<u>13,246</u>	<u>26,110</u>

BISHOPS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

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	2003 £	2002 £
Bank loans and overdrafts	109,193	25,511
Net obligations under finance leases	10,718	43,090
Trade creditors	4,421,570	3,057,854
Corporation tax	53,221	63,383
Other taxes and social security costs	99,520	63,473
Other creditors	42,490	95,578
Accruals and deferred income	139,990	94,981
	<u>4,876,702</u>	<u>3,443,870</u>
Debt due in one year or less	<u>30,306</u>	<u>25,511</u>

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

BISHOPS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

13 Creditors: amounts falling due after more than one year	2003	2002
	£	£
Bank loans	78,201	111,251
Net obligations under finance leases and hire purchase agreements	-	11,837
	<u>78,201</u>	<u>123,088</u>
Analysis of loans		
Wholly repayable within five years	108,507	136,762
	<u>108,507</u>	<u>136,762</u>
Included in current liabilities	(30,306)	(25,511)
	<u>78,201</u>	<u>111,251</u>
Loan maturity analysis		
Between one and two years	31,717	27,463
Between two and five years	46,484	83,788
	<u>78,201</u>	<u>111,251</u>
The bank loan is secured by a fixed charge on the freehold property of the company.		
The interest payable on the bank loan is at the rate of 1.25% above the Bank Base Rate.		
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	11,304	48,060
Repayable between one and five years	-	13,534
	<u>11,304</u>	<u>61,594</u>
Finance charges and interest allocated to future accounting periods	(586)	(6,667)
	<u>10,718</u>	<u>54,927</u>
Included in liabilities falling due within one year	(10,718)	(43,090)
	<u>-</u>	<u>11,837</u>
14 Pension costs		
Defined contribution		
	2003	2002
	£	£
Contributions payable by the company for the year	<u>175,806</u>	<u>199,590</u>

BISHOPS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

15 Share capital	2003 £	2002 £
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.

16 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2002	76,918	153,041	379,781
Retained profit for the year	-	-	205,106
	<u>76,918</u>	<u>153,041</u>	<u>584,887</u>

17 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	259,106	17,827
Dividends	(54,000)	-
	<u>205,106</u>	<u>17,827</u>
Other recognised gains and losses	-	30,000
	<u>205,106</u>	<u>47,827</u>
Net addition to shareholders' funds	748,670	700,843
Opening shareholders' funds	<u>953,776</u>	<u>748,670</u>
Closing shareholders' funds	<u>953,776</u>	<u>748,670</u>

BISHOPS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

18 Financial commitments

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Expiry date:		
Within one year	-	3,860
Between two and five years	75,929	78,378
	<u>75,929</u>	<u>82,238</u>

19 Directors' emoluments

	2003 £	2002 £
Emoluments for qualifying services	591,479	585,730
Company pension contributions to money purchase schemes	87,717	92,197
Compensation for loss of office	-	81,941
	<u>679,196</u>	<u>759,868</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 10 (2002 - 10).

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

Emoluments for qualifying services	74,425	74,351
Company pension contributions to money purchase schemes	16,688	19,808
	<u>91,113</u>	<u>94,159</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

BISHOPS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

20 Transactions with directors

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

	Amount outstanding		Maximum in year
	2003 £	2002 £	
G L Epps	200	-	5,000
J J Rawlings	2,500	-	5,000
K D Jones	1,668	3,334	3,334

21 Employees

Number of employees

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

2003 Number	2002 Number
50	56

Employment costs

	£	£
Wages and salaries	1,305,456	1,449,309
Social security costs	140,001	143,957
Other pension costs	175,806	199,590
	1,621,263	1,792,856

22 Control

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

23 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 2003, Centrix Solutions Limited owed Bishops plc £15,000 (2002 - £15,000).