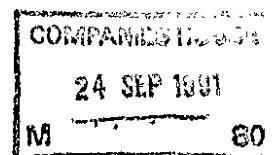


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R. & G.

G N BISHOP (INSURANCE BROKERS) LIMITED  
FINANCIAL STATEMENTS TO 31ST MARCH 1991

FINN-KELCEY AND CHAPMAN  
CHARTERED ACCOUNTANTS  
ASHFORD HOUSE  
COUNTY SQUARE  
ASHFORD, KENT



G N BISHOP (INSURANCE BROKERS) LIMITED

FINANCIAL STATEMENTS 31ST MARCH 1991

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G N BISHOP (INSURANCE BROKERS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 1991

Directors: G N Bishop  
J I H Parmentier  
G R French  
H A R Laing  
B G Merryman  
A C Paterson  
B E Hanrahan  
G L Epps

Secretary: H A R Laing

Registered Office: Halden House, High Halden, Ashford, Kent.

The Directors present their report for the year ended 31st March 1991.

1. ACCOUNTS AND DIVIDENDS

The Directors submit the audited Financial Statements for the year ended 31st March 1991. The Profit for the year is dealt with as shown in the Profit and Loss Account.

On 5th December 1990 a Dividend of £135,661, which is equivalent to £1.35 per share was paid. The Directors propose a final Dividend for the year of £110,180, which is equivalent to £1.10 per share.

2. PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the Company continues to be that of Insurance Broking. The Company is a member of the British Insurance and Investment Brokers Association. Since 31st March 1991 the Life and Pension business of G. N. Bishop Financial Services Limited has been transferred to this Company.

The Directors consider the state of affairs to be satisfactory with the Company holding its Market share of business.

3. DIRECTORS

The Directors of the Company listed above served throughout the year.

No Director had an interest in the Share Capital of the Company at 31st March 1991 or 31st March 1990. G N Bishop is also a Director of G N Bishop Group Limited and his interests in shares in the holding Company are shown in that Company's accounts.

The interests of the other Directors in office at 31st March 1991, in the ordinary B shares of G N Bishop Group Limited are set out below.

	<u>31st March 1991</u>	<u>1st April 1990</u>
G R French	5,471	5,471
H A R Laing	1,706	1,706
B G Merryman	4,170	4,170
A C Paterson	4,570	4,570
B E Hanrahan	1,669	1,669
G L Epps	1,137	1,137

G N BISHOP (INSURANCE BROKERS) LIMITED

DIRECTORS' REPORT FOR THE YEAR TO 31ST MARCH 1991 (CONTINUED)

4. FIXED ASSETS

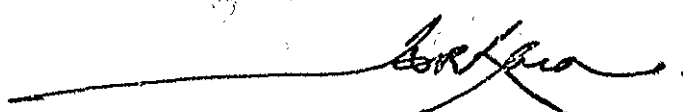
The movement in Tangible Fixed Assets during the year is set out in Note 10 to the Financial Statements.

The Directors are of the opinion that there has been no significant change in the Market Value of the Freehold Property since the last valuation in March 1990, the details of which and the potential tax liability are set out in the Notes to the Financial Statements.

5. AUDITORS

Finn-Kelcey and Chapman have expressed their willingness to continue in office as Auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

BY ORDER OF THE BOARD



HUGH ALEXANDER RICHARD LAING  
SECRETARY

ASHFORD: 11th July 1991

G N BISHOP (INSURANCE BROKERS) LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the Financial Statements set out on Pages 4 to 12 in accordance with auditing standards.

No provision has been made for Depreciation on the Freehold Buildings as required by Statement of Standard Accounting Practice No. 12.

Except for the foregoing, in our opinion the Accounts give a true and fair view of the state of affairs of the Company at 31st March 1991 and of the Profit and Source and Application of Funds for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

ASHFORD: 11th July 1991

*Finns x Chapman*

FINN-KELCEY & CHAPMAN  
CHARTERED ACCOUNTANTS

G N BISHOP (INSURANCE BROKERS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1991

	<u>Note</u>	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
TURNOVER	2	885,618	304,070
Operating Expenses	3	<u>833,900</u>	<u>832,019</u>
OPERATING PROFIT/(LOSS)		51,718	(27,949)
Other Income	6	<u>84,846</u>	<u>149,173</u>
		136,564	121,224
Interest payable and similar charges	7	<u>30,117</u>	<u>28,560</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		106,447	92,664
Tax Charge on Profit on ordinary activities	8	<u>(3,731)</u>	<u>15,500</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		110,178	77,164
Dividends	9	<u>245,841</u>	<u>-</u>
RETAINED (DEFICIT)/PROFIT FOR THE YEAR		<u>(135,663)</u>	<u>77,164</u>

STATEMENT OF RETAINED PROFITS

FOR THE YEAR ENDED 31ST MARCH 1991

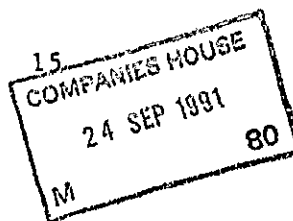
Balance at 31st March 1990	135,663	58,499
Retained (Deficit)/Profit for the Year	<u>(135,663)</u>	<u>77,164</u>
Balance at 31st March 1991	<u>NIL</u>	<u>135,663</u>

The notes on pages 7 to 12 form part of these Financial Statements  
Auditors Report - Page 3

G N BISHOP (INSURANCE BROKERS) LIMITED

BALANCE SHEET AS AT 31ST MARCH 1991

	<u>Notes</u>	<u>1991</u>	<u>1990</u>
		<u>£</u>	<u>£</u>
<b>FIXED ASSETS</b>			
Tangible Assets	10	900,684	878,208
Investments	11	15,560	1,938
		<u>916,244</u>	<u>880,146</u>
<b>CURRENT ASSETS</b>			
Debtors	12	652,523	855,698
Cash at Bank and in Hand		307,230	455,327
		<u>959,753</u>	<u>1,311,025</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	1,024,435	1,192,605
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(64,682)</u>	<u>118,420</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>851,562</u>	<u>998,566</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	167,392	178,733
		<u>684,170</u>	<u>819,833</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital	15	100,000	100,000
Revaluation Reserve		584,170	584,170
Profit and Loss Account		-	135,663
		<u>684,170</u>	<u>819,833</u>



The Financial Statements on pages 4 to 12 were approved by the Board of Directors on 11th July 1991 and signed on their behalf by:-

GEOFFREY ROBERT FRENCH

)  
)  
) DIRECTORS

HUGH ALEXANDER RICHARD LAING

)  
)

The Notes on pages 7 to 12 form part of these Financial Statements  
Auditors Report - Page 3

G N BISHOP (INSURANCE BROKERS) LIMITED  
STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST MARCH 1991

	<u>£</u>	<u>1991</u>	<u>£</u>	<u>£</u>	<u>1990</u>	<u>£</u>
SOURCE OF FUNDS						
FROM OPERATIONS						
Profit before Taxation and Dividends			106,447			92,664
Items not involving the movement of funds						
Depreciation Less Profit on Sale of						
Tangible Fixed Assets	43,446			54,959		
Provisions against Quoted Investments	6,378	49,824		-	54,959	
Total generated by operations			156,271			147,623
OTHER SOURCES						
Disposal of Fixed Assets			40,849			24,501
			197,120			172,124
FUNDS APPLIED						
Purchase of Tangible Fixed Assets	106,772			125,145		
Purchase of Quoted Investments	20,000			-		
Taxation Paid	35,554			12,030		
Dividend Paid	135,661	297,987		-	137,175	
			(100,867)			34,949
INCREASE/(DECREASE) IN WORKING CAPITAL						
Debtors	(203,175)			167,840		
Creditors	288,252	85,077		(169,747)	(1,907)	
NET LIQUID FUND						
Cash at Bank and in Hand			(185,944)			36,856
			(100,867)			34,949

The Notes on pages 7 to 12 form part of these Financial Statements  
Auditors Report - Page 3



G N BISHOP (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1991

1. ACCOUNTING POLICIES

a. Accounting Convention

The Financial Statements are prepared in accordance with applicable Accounting Standards under the Historical Cost Convention as modified by the Revaluation of certain Freehold Property.

b. Insurance Broking and Commission

Insurance brokerage is credited to the Profit and Loss account at the later of issuing the debit note or the inception date of the policy.

c. Depreciation and Amortisation

Depreciation is provided on the straight line basis at rates estimated to write off the assets by equal instalments over their anticipated useful lives, as follows:

Motor Vehicles	25%
Office Furniture and Fittings	10%
Office Equipment	20%

Freehold Property is not depreciated.

Assets held under Finance Leases are depreciated over their expected useful lives on the same basis as owned assets.

d. Investments

Investments are stated at cost less provision for diminution in value. Cost is purchase price including acquisition expenses, but excluding any payment for accrued interest or fixed dividend entitlement.

e. Finance Leases

Assets held under leasing arrangements that transfer substantially 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 constant periodic rate of charge.

Rentals in respect of all other leases are charged to the Profit and Loss Account as incurred.

f. Deferred Taxation

Provision for deferred Taxation will be made at the appropriate rate of Corporation Tax, using the Liability method, on short term timing differences.

g. Pensions

The Company contributes to a Group defined benefit pension scheme. The assets of the scheme are held separately from those of the Company and the Group 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 using the projected unit method.

G N BISHOP (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1991

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 EXPENSES

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Staff Costs (note 4)	569,199	581,031
Depreciation		
Owned Assets	20,238	14,725
Assets held under Finance Lease	40,118	42,687
Provision against Quoted Investments	6,378	-
Auditors Remuneration	16,375	15,928
Operating Lease Costs		
Hire of Plant and Equipment	15,634	19,481
Other operating expenses	165,958	158,167
	<u>833,900</u>	<u>832,019</u>

4. STAFF COSTS

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Salaries and Benefits	474,384	502,142
Social Security Costs	44,389	41,671
Pension Costs	50,426	37,218
	<u>569,199</u>	<u>581,031</u>

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Pension Costs Comprise:-		
Regular Cost	50,426	37,218
Defined Benefit Scheme	50,426	37,218
Defined Contribution Scheme	-	-
	<u>50,426</u>	<u>37,218</u>

The most recent actuarial valuation of the Group defined benefit pension scheme to which the above contributions were made by this Company was at 31st March 1988. The market value of the scheme assets at that date was £238,000 and the level of funding was 119% with the main actuarial assumption being that the long term investment return to the fund will be 1% higher than the annual rate of future salary increases.

The above includes Directors' Emoluments (see note 5). The average number of staff employed during the year was 38 (1990 - 38).

G N BISHOP (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 1991

5. EMOLUMENTS OF DIRECTORS	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Remuneration, including Pension Contributions and Benefits	210,553	269,849

The emoluments, excluding Pension Contributions, of Directors of the Company are as follows:

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Chairman	53,926	53,119
Highest Paid Director	43,255	64,048
Other Directors in scale:		
	<u>Number of Directors</u>	
£ 5,000 to £10,000	-	1
£15,001 to £20,000	1	2
£25,001 to £30,000	3	1
£30,001 to £35,000	-	2

6. OTHER INCOME	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Management Charges	32,800	101,700
Bank Deposit Interest	49,009	44,704
Other Interest Receivable	3,037	2,769
	84,846	149,173

7. INTEREST PAYABLE AND SIMILAR CHARGES	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Bank Loans and Overdraft Wholly Repayable within 5 Years	653	1,824
Other Bank Loans	19,267	18,226
Finance Lease Charges	10,151	8,510
Interest on Overdue Corporation Tax	46	-
	30,117	28,560

G N BISHOP (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31st MARCH 1991

8. TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
The charge based on the Profit for the year comprises:		
U K Corporation Tax at 34% (1990 - 35%)	11,528	15,500
Adjustment relating to prior years	(15,259)	-
	<u>(3,731)</u>	<u>15,500</u>

No provision has been made for the potential Capital Gains Tax liability of £163,734 arising on the revaluation of the Freehold Property in March 1990.

9. DIVIDEND	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Ordinary Dividend of £1.35 per share (1990: Nil) paid during the year	135,661	-
Proposed Ordinary Dividend of £1.10 per share (1990: Nil)	110,180	-
	<u>245,841</u>	<u>-</u>

10. TANGIBLE FIXED ASSETS	<u>Freehold Property</u> <u>£</u>	<u>Office Equipment</u> <u>£</u>	<u>Office Furniture and Fittings</u> <u>£</u>	<u>Motor Vehicles</u> <u>£</u>	<u>Total</u> <u>£</u>
Cost or valuation					
At 31st March 1990	735,058	59,244	32,266	175,045	1,001,613
Additions	7,266	6,851	-	92,655	106,772
Disposals	-	-	-	(74,942)	(74,942)
At 31st March 1991	<u>742,324</u>	<u>66,095</u>	<u>32,266</u>	<u>192,758</u>	<u>1,033,443</u>
Cost	158,154	66,095	32,266	192,758	449,273
Revaluation Surplus	584,170	-	-	-	584,170
	<u>742,324</u>	<u>66,095</u>	<u>32,266</u>	<u>192,758</u>	<u>1,033,443</u>
Depreciation					
At 31st March 1990	-	16,878	12,750	93,777	123,405
Charge for year	-	12,943	3,157	44,256	60,356
Disposals	-	-	-	(51,002)	(51,002)
At 31st March 1991	<u>-</u>	<u>29,821</u>	<u>15,907</u>	<u>87,031</u>	<u>132,759</u>
Net Book Amounts					
At 31st March 1991					
Owned Assets	742,324	27,696	16,359	20,995	807,374
Finance Lease Assets	-	8,578	-	84,732	93,310
Total	<u>742,324</u>	<u>36,274</u>	<u>16,359</u>	<u>105,727</u>	<u>900,684</u>
At 31st March 1990					
Owned Assets	735,058	30,928	19,516	-	785,502
Finance Lease Assets	-	11,438	-	81,268	92,706
	<u>735,058</u>	<u>42,366</u>	<u>19,516</u>	<u>81,268</u>	<u>878,208</u>

The Company's Freehold Property at High Halden was last revalued in March 1990 on the open market basis with vacant possession in the sum of £700,000 by Chartered Surveyors.

G N BISHOP (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 1991

11. INVESTMENTS

Trade Investments Listed on the London Stock Exchange:

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Cost		
As at 1st April 1990	1,938	1,938
Acquisitions in Year	20,000	-
Disposals	(1,938)	-
	<u>20,000</u>	<u>1,938</u>
As at 31st March 1991	<u>20,000</u>	<u>1,938</u>
Provisions		
As at 1st April 1990	-	-
Provided in Year	4,440	-
	<u>4,440</u>	<u>-</u>
As at 31st March 1991	<u>4,440</u>	<u>-</u>
Net Book Value at 31st March 1991/1990	<u>15,560</u>	<u>1,938</u>

12. DEBTORS

Due within one Year:

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Trade Debtors less provision for Doubtful Debts	603,994	765,749
Other Debtors	40,262	15,004
Amounts owed by Holding Company	-	70,000
Prepayments and accrued income	8,267	4,945
	<u>652,523</u>	<u>855,698</u>

Included in other debtors is an amount of £22,654 in respect of Deposits and Progress payments on Fixed Assets which will be capitalised in the year to 31st March 1992.

13. CREDITORS - amounts falling due within one year:

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Bank Loans and Overdrafts	65,412	16,025
Trade Creditors	758,021	1,047,071
Obligations under Finance Leases	37,915	38,555
Other Creditors	35,598	35,955
Taxation	4,047	43,332
Proposed Dividend	110,180	-
Accruals and Deferred Income	13,262	11,667
	<u>1,024,435</u>	<u>1,192,605</u>

G N BISHOP (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31ST MARCH 1991

14. CREDITORS - amounts falling due after more than one year:	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Bank Loan	132,690	144,230
Obligations under Finance Leases	34,702	34,503
	<u>167,392</u>	<u>178,733</u>

The Capital Amounts due under Finance Lease Obligations are as follows:-

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Within 2 to 5 years	<u>34,702</u>	<u>34,503</u>

The bank loan is secured by a fixed charge on a Freehold Property of the Company.

15. CALLED UP SHARE CAPITAL

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Authorised, Allotted and Fully paid: 100,000 Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>

16. FINANCIAL COMMITMENTS

Capital Commitments	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Capital expenditure commitments were as follows:- Contracted for but not provided in the Accounts	<u>140,000</u>	<u>-</u>

The annual commitment under non-cancellable Operating Leases was as follows:	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Vehicles and Equipment Leases expiring:		
Within one year	16,242	20,567
Within two to five years	419	12,553
	<u>16,661</u>	<u>33,120</u>

17. CONTINGENT LIABILITIES

The Company has given an Unlimited Guarantee in respect of Bank Overdrafts granted to its holding Company.

18. ULTIMATE HOLDING COMPANY

In the opinion of the Directors, the ultimate holding Company is  
G. N. Bishop Group Limited, incorporated in Great Britain.