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SOUTH ESSEX INSURANCE BROKERS LIMITED

ACCOUNTS  
FOR THE YEAR ENDED  
31st DECEMBER 1980

SMALLFIELD RAWLINS & CO.  
CHARTERED ACCOUNTANTS

Smallfield Rawlins & Co.  
Chartered Accountants  
1980

SOUTH ESSEX INSURANCE BROKERS LIMITED

ACCOUNTS  
FOR THE YEAR ENDED  
31st DECEMBER 1980

I N D E X

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2. Profit and Loss Account
3. Balance Sheet
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6. Statement of Source and Application of Funds
7. Report of the Auditors
8. Trading Account

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SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

formerly  
SOUTH ESSEX INSURANCE BROKERS LIMITED

REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED  
31st DECEMBER 1980

Director

B. Fehler

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1. The Company's trade is that of Insurance Brokers, Mortgage and Finance Consultants.

In February 1981 the business was split between

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED  
which became the Holding Company, and

SOUTH ESSEX INSURANCE BROKERS LIMITED formerly Bestbend Ltd.  
which became a "pure" Insurance Brokering Company.

In the latter part of 1980, South Essex Insurance Brokers Limited became members of the British Insurance Brokers Association.

Despite the recession, by the end of June 1981, the premium income had increased by 29.5% over the same period in 1980.

The Company Show Horses look set to repeat their success of 1980 by winning the Waterford Hunter Points Championship with "Assurance" and also holding third place with "Fairfield".

2. The interests of the Directors in the Share Capital were as follows:

	<u>£1 Ordinary Shares</u>	
	<u>1. 1.80</u>	<u>31.12.80</u>
B. Fehler	950	999
Mrs.I.H.Fehler	50	50

Mrs.Fehler resigned as a Director on the 7th March 1980.

3. The profit for the year to 31st December 1980 amounts to £7,297 which gives rise to reserves carried forward of £7,296.

By Order of the Board

Secretary

Pearlree House,  
North Road,  
South Ockenden,  
Essex

SOUTH ESSEX INSURANCE BROKERS LIMITED


PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER 1980

	<u>Notes</u>	<u>1980</u>	<u>1979</u>
PROFIT FOR THE YEAR BEFORE TAXATION		7,547	16,334
After Charging:			
Directors Remuneration	14,700	22,060	
Depreciation	15,756	10,152	
Audit Fee	3,065	1,000	
Hire of Equipment and Vehicle	4,976	4,962	
Interest Paid	2,337	1,373	
		<hr/>	<hr/>
TAXATION	5	250	804
		<hr/>	<hr/>
PROFIT FOR THE YEAR AFTER TAXATION		7,297	16,030
RESERVES BROUGHT FORWARD			
As previously reported	( 1 )	( 30,040 )	
Prior Year adjustment	-	<u>14,009</u>	( 16,031 )
		<hr/>	<hr/>
		£ 7,296	£ ( 1 )
		<hr/>	<hr/>

SOUTH ESSEX INSURANCE BROKERS LIMITED

BALANCE SHEET AT 31st DECEMBER 1980

	<u>Notes</u>	<u>1980</u>	<u>1979</u>
FIXED ASSETS	2	111,536	92,591
GOODWILL	3	28,750	16,750
INVESTMENT IN SUBSIDIARY	6	1,181	-
CURRENT ASSETS			
Show Horses		33,450	15,260
Debtors and Prepayments		24,518	29,965
Deposit Accounts		6,487	15,178
Cash at Bank and in Hand		200	150
		<u>64,655</u>	<u>60,553</u>
CURRENT LIABILITIES			
Insurance Companies		90,415	73,655
Creditors and Accrued Charges		42,526	36,616
Bank Overdraft (Secured)		18,399	9,322
Directors Account		6	268
Corporation Tax due 1st October 1981		250	804
		<u>151,596</u>	<u>120,665</u>
NET CURRENT (LIABILITIES)		( 86,941 )	( 60,112 )
TOTAL NET ASSETS		<u>£ 54,526</u>	<u>£ 49,229</u>
Representing:			
SHARE CAPITAL			
Authorised, Issued and Fully Paid			
1,000 Ordinary Shares of £1 each		1,000	1,000
RESERVES	4	50,526	43,229
MORTGAGE (Secured)		3,000	5,000
		<u>£ 54,526</u>	<u>£ 49,229</u>


 Director

SOUTH ESSEX INSURANCE BROKERS LIMITED

NOTES ON THE ACCOUNTS  
FOR THE YEAR ENDED 31st DECEMBER 1980

1. ACCOUNTING POLICIES

i) The accounts have been prepared on the Historical Cost Basis as modified by the revaluation of the long term leasehold properties.

ii) The depreciation policy is as follows:

a) Leasehold Properties are depreciated over the life of the leases on a straight line basis.

b) The method of depreciating all other assets is on the straight line basis at the following rates:

Office Furniture and Equipment	10%
Motor Vehicles	25%

2. FIXED ASSETS

	<u>Long Term Leasehold Properties</u>	<u>Office Furniture and Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost or Valuation				
At 1st January 1980	58,500	24,993	28,707	112,200
Additions	-	21,164	19,220	40,384
Disposals	-	( 623 )	( 8,231 )	( 8,854 )
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At 31st December 1980	58,500	45,534	39,696	143,730
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1st January 1980	1,314	5,640	12,655	19,609
Disposals	-	( 279 )	( 2,892 )	( 3,171 )
Provision for year	657	4,553	10,546	15,756
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At 31st December 1980	1,971	9,914	20,309	32,194
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31st December 1980	£ 56,529	£ 35,620	£ 19,387	£ 111,536
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At 31st December 1979	£ 57,186	£ 19,353	£ 16,052	£ 92,591
	<hr/>	<hr/>	<hr/>	<hr/>

SOUTH ESSEX INSURANCE BROKERS LIMITED

NOTES ON THE ACCOUNTS  
FOR THE YEAR ENDED 31st DECEMBER 1980  
(Continued)

3. GOODWILL

This amount represents the payments made to Oriden (Southern) Limited to acquire their life assurance business.

4. RESERVES

This amount is compiled as follows:

	<u>1980</u>	<u>1979</u>
Profit and Loss Account	7,296	( 1 )
Capital Reserve - Property Revaluation	43,230	43,230
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	£ 50,526	£ 43,229
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5. TAXATION

The charge for taxation represents Corporation Tax at the rate of 40% on interest received during the year. There is no Corporation Tax payable on the other profits for the year as these have been set off against losses brought forward.

6. INVESTMENT IN SUBSIDIARY

At the Balance Sheet date the Company owns the entire Share Capital of Bestbend Limited, a Company incorporated in the U.K. This Company has changed its name to South Essex Insurance Brokers Limited. The existing Parent Company changed its name to South Essex Insurance Brokers Group Limited.

The Subsidiary Company had not traded at the Balance Sheet date.

SOUTH ESSEX INSURANCE BROKERS LIMITED  
STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31st DECEMBER 1980

	<u>1980</u>	<u>1979</u>
<b>SOURCE OF FUNDS</b>		
Profit before Taxation	7,547	16,834
Adjustment for items not involving the movement of funds:		
Depreciation	15,751	10,152
Loss on Sale of Assets	533	393
	<hr/>	<hr/>
Total Generated from operations	23,836	27,379
Funds from other sources		
Disposal of Assets	5,150	2,050
	<hr/>	<hr/>
	£ 28,986	£ 29,429
	<hr/>	<hr/>
<b>APPLICATION OF FUNDS</b>		
Purchase of Fixed Assets	40,334	31,056
Purchase of Subsidiary	1,131	-
Purchase of Goodwill	12,000	2,000
Mortgage Payments	2,000	2,000
Working Capital Requirements:		
Increase in Debtors	12,743	19,375
(Increase) in Creditors	( 21,866 )	( 29,627 )
	<hr/>	<hr/>
	( 9,123 )	( 10,252 )
	<hr/>	<hr/>
	46,442	24,804
Directors Loan Account	262	( 263 )
Bank Cash and Deposits	( 17,718 )	4,888
	<hr/>	<hr/>
	£ 28,986	£ 29,429
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REPORT OF THE AUDITORS TO THE MEMBERS OF  
SOUTH ESSEX INSURANCE BROKERS LIMITED

In our opinion the Accounts set out on Pages 2 to 6 together give a true and fair view of the state of affairs at 31st December 1980 and of the profit and statement of source and application of funds for the year ended on that date and comply with the Companies Acts 1948 and 1980.

Beadle House,  
47/49 Borough High Street,  
London Bridge,  
LONDON SE1 1NJ

  
Chartered Accountants

23rd November 1981