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REGISTRAR OF COMPANIES

SOUTH ESSEX INSURANCE BROKERS LIMITED

43

ACCOUNTS
FOR THE YEAR ENDED
31st DECEMBER 1978

SMALLFIELD, RAWLINS & CO.
CHARTERED ACCOUNTANTS



SOUTH ESSEX INSURANCE BROKERS LIMITED

ACCOUNTS
FOR THE YEAR ENDED
31st DECEMBER 1978

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SOUTH ESSEX INSURANCE BROKERS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED
31st DECEMBER, 1978

Directors

B. Fehler
I.H. Fehler

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

We are pleased to report that the premiums and commission growth has continued through the first half of 1979. At the 30th June the premiums increase was 37% on the corresponding period in 1978.

The micro-filming programme is running to order and we expect that by the end of the year all routine files will be on film; this will enable the Company to expand for a further two to three years at the present rate without needing further accommodation. To help cope with expansion, the Company has on trial two word processing units and we are looking at small computers with a possible installation during 1981.

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

	<u>£1 Ordinary Shares</u>	
	<u>31.12.1978</u>	<u>31.12.1977</u>
B.Fehler	950	950
I.H.Fehler	50	50

3. The profit for the year to 31st December 1978 amounts to £11,038 which gives rise to a surplus carried forward of £13,190, after crediting a surplus on revaluation of leasehold properties of £43,230.

4. The Director retiring by rotation is I.H.Fehler who does not offer herself for re-election.

5. During the year the Leasehold Property was professionally valued at £58,500 and this revaluation has been reflected in the 1978 accounts.

BY ORDER OF THE BOARD


Secretary

Pear-tree House,
North Road,
South Ockenden,
Essex

SOUTH ESSEX INSURANCE BROKERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31st DECEMBER, 1978

	<u>1978</u>	<u>1977</u>
PROFIT/(LOSS) FOR THE YEAR	11,038	(20,628)
After charging:		
Directors Remuneration	5,435	16,500
Depreciation	4,363	3,334
Audit Fee	700	500
Hire of Equipment and Vehicle	4,881	509
Interest paid	<u>2,266</u>	<u>2,601</u>
DEFICIT BROUGHT FORWARD	(41,078)	(20,450)
	<u>(30,040)</u>	<u>(41,078)</u>
Surplus on Revaluation of Leasehold Properties	43,230	-
SURPLUS/(DEFICIT) CARRIED FORWARD	<u>£13,190</u>	<u>£(41,078)</u>

SOUTH ESSEX INSURANCE BROKERS LIMITED

BALANCE SHEET AT 31st DECEMBER 1978

	<u>Notes</u>	<u>1978</u>	<u>1977</u>
FIXED ASSETS	2	<u>74,129</u>	<u>31,700</u>
GOODWILL	4	<u>14,750</u>	<u>8,250</u>
CURRENT ASSETS			
Show Expenses		2,160	2,160
Debtors and Prepayments	6	23,690	13,740
Deposit Accounts		128	123
Cash at Bank		<u>991</u>	<u>-</u>
		<u>26,969</u>	<u>16,023</u>
CURRENT LIABILITIES			
Insurance Companies		49,678	29,135
Creditors and Accrued Charges		44,975	31,968
Bank Overdraft (Secured)		-	25,890
Directors Account		<u>5</u>	<u>58</u>
		<u>94,658</u>	<u>87,051</u>
NET CURRENT LIABILITIES		<u>67,689</u>	<u>71,028</u>
TOTAL NET ASSETS/(LIABILITIES)		<u>£21,190</u>	<u>£(31,078)</u>
Representing:			
SHARE CAPITAL			
Authorised, Issued and Fully Paid 1,000 Shares of £1 each		1,000	1,000
RESERVES	5	13,190	(41,078)
MORTGAGE (Secured)		<u>7,000</u>	<u>9,000</u>
		<u>£21,190</u>	<u>£(31,078)</u>


 Directors

SOUTH ESSEX INSURANCE BROKERS LIMITED

NOTES ON THE ACCOUNTS FOR THE YEAR
ENDED 31st DECEMBER, 1978

1. ACCOUNTING POLICIES

- i) The accounts have been prepared on the Historic 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) All other classes of assets are depreciated on a reducing balance basis at the following rates:

Office Furniture and Equipment	12½%
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 1978	15,270	5,449	16,803	37,522
Additions	-	4,062	2,664	6,726
Revalued in the year	<u>43,230</u>	<u>-</u>	<u>-</u>	<u>43,230</u>
	58,500	9,511	19,467	87,478
Disposals	<u>-</u>	<u>-</u>	<u>3,164</u>	<u>3,164</u>
At 31st December 1978	<u>58,500</u>	<u>9,511</u>	<u>16,303</u>	<u>84,314</u>
Depreciation				
At 1st January 1978	560	2,513	2,749	5,822
Provision for year	<u>98</u>	<u>875</u>	<u>3,390</u>	<u>4,363</u>
At 31st December 1978	<u>658</u>	<u>3,388</u>	<u>6,139</u>	<u>10,185</u>
Net Book Value				
At 31st December 1978	<u>£57,842</u>	<u>£ 6,123</u>	<u>£10,164</u>	<u>£74,129</u>
At 31st December 1977	<u>£14,710</u>	<u>£ 2,936</u>	<u>£14,054</u>	<u>£31,700</u>

3. CAPITAL COMMITMENTS

Capital expenditure contracted and authorised by the directors and outstanding at the 31st December 1978 amounted to £9,178.

SOUTH ESSEX INSURANCE BROKERS LIMITED

NOTES ON THE ACCOUNTS FOR THE YEAR
ENDED 31st DECEMBER, 1978

4. GOODWILL

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

5. RESERVES

During the year the Leasehold Premises were professionally valued at £58,500 by Messrs. Green Deakin & Partners. The increase in value of the premises has been reflected in these accounts.

	<u>1978</u>	<u>1977</u>
Profit and Loss Account debit balance	(30,040)	(41,078)
Capital Reserve - property revaluation	<u>43,230</u>	<u>-</u>
	<u>£13,190</u>	<u>£(41,078)</u>

6. DEBTORS AND PREPAYMENTS

Debtors include an amount of £8,521 which relates to the debit balance on the Directors Current Account. This balance was cleared after date via a receipt of £5,521 in February, together with a receipt of £3,000 during June 1979.

SOUTH ESSEX INSURANCE BROKERS LIMITED

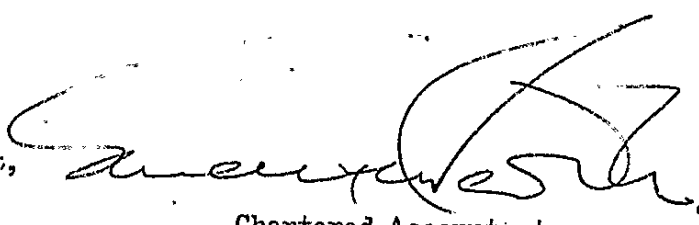
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31st DECEMBER, 1978

	<u>1978</u>	<u>1977</u>
SOURCE OF FUNDS		
Profit/(Loss) before Taxation	11,038	(20,628)
Adjustment for items not involving the movement of funds:		
Depreciation	4,363	3,334
(Profit) on Sale of Assets	(36)	(436)
	<hr/>	<hr/>
Total Generated from operations	15,365	(17,730)
Funds from other sources		
Disposal of Assets	3,200	1,250
	<hr/>	<hr/>
	<u>£18,565</u>	<u>£(16,480)</u>
APPLICATION OF FUNDS		
Purchase of Fixed Assets	6,726	17,583
Purchase of Goodwill	6,500	4,500
Mortgage	-	(9,000)
Mortgage Payments	2,000	-
Working Capital Requirements:		
Increase/(Decrease) in Stock	-	(1,478)
Increase/(Decrease) in Debtors	9,950	(68)
(Increase) in Creditors	(33,550)	(22,137)
	<hr/>	<hr/>
	(8,374)	(10,600)
Directors Loan Account	53	165
Bank Cash and Deposits	26,886	(6,045)
	<hr/>	<hr/>
	<u>£18,565</u>	<u>£(16,480)</u>

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 1978 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 1967.

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


Chartered Accountants

7th March 1980