

REGISTERED COMPANY

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SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

REPORT AND ACCOUNTS
YEAR ENDED 31st DECEMBER 1984



SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

REPORT AND ACCOUNTS
YEAR ENDED 31st DECEMBER 1984

I N D E X

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SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

REPORT OF THE DIRECTOR

The Director presents his annual report and the audited accounts for the year ended 31st December 1984.

Director

B. Fehler

Business Review

The principal activity of the company and its subsidiary is that of Insurance Brokers, Mortgage and Finance Consultants.

Director

The interest of the director in the share capital was as follows:-

	<u>1984</u>	<u>1983</u>
B. Fehler	1,000	1,000

By Order of the Board

Secretary



Pearlree House,
North Road,
South Ockendon,
Essex.

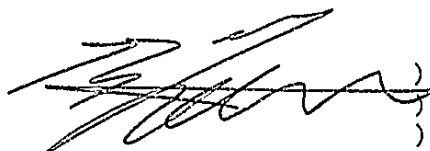
SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED 31st DECEMBER 1984

	<u>Note</u>	<u>1984</u>	<u>1983</u>
Turnover	2	336,931	331,811
Administrative Expenses		(341,406)	(297,759)
Other Operating Income		-	14,062
Other Interest Receivable and Similar Income		7	20
Interest Payable and Similar Charges	4	(3,547)	(558)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(8,015)	47,576
Tax on Profit on Ordinary Activities	7	7,397	19,701
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	8	(15,412)	27,875
Extraordinary Charge	9	-	8,827
PROFIT FOR THE FINANCIAL YEAR		(15,412)	19,048
Retained Profit Brought Forward		58,488	36,525
Transfer from Revaluation Reserve		486	2,915
RETAINED PROFIT CARRIED FORWARD		£ 43,562	£ 58,488

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 1984

	<u>Note</u>	<u>1984</u>	<u>1983</u>
FIXED ASSETS			
Intangible Assets	10	20,400	27,200
Tangible Assets	11	171,414	147,193
		<hr/>	<hr/>
		191,814	174,393
CURRENT ASSETS			
Show Horses		24,514	24,514
Debtors	13	47,166	61,013
Cash at Bank and in Hand		97,649	108,187
		<hr/>	<hr/>
		169,329	193,714
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	265,207	258,362
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(95,878)	(64,648)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		95,936	109,745
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	3,107	1,504
PROVISIONS FOR LIABILITIES AND CHARGES	16	8,438	8,438
		<hr/>	<hr/>
		£ 84,391	£ 99,803
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called Up Share Capital	17	1,000	1,000
Revaluation Reserve	19	39,829	40,315
Profit and Loss Account		43,562	58,488
		<hr/>	<hr/>
		£ 84,391	£ 99,803
		<hr/>	<hr/>

 Directors

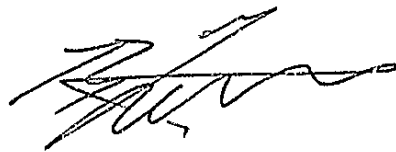
The Accounts were approved by the Board of Directors
on 21/01/85

The Notes on Pages 5 to 12 form part of these Accounts.

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

BALANCE SHEET AS AT 31st DECEMBER 1984

	<u>Note</u>	<u>1984</u>	<u>1983</u>
FIXED ASSETS			
Intangible Assets	10	20,400	27,200
Tangible Assets	11	68,901	74,795
Investments	12	21,000	21,000
		<hr/>	<hr/>
		110,301	122,995
CURRENT ASSETS			
Debtors	13	20,341	6,636
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	91,413	75,151
		<hr/>	<hr/>
NET CURRENT LIABILITIES		71,072	68,515
		<hr/>	<hr/>
NET ASSETS		£ 39,229	£ 54,480
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called Up Share Capital	17	1,000	1,000
Revaluation Reserve	19	39,829	40,315
Profit and Loss Account		(1,600)	13,165
		<hr/>	<hr/>
		£ 39,229	£ 54,480
		<hr/>	<hr/>



SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 31st DECEMBER 1984

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts have been prepared under the alternative accounting rules set out in the 8th Schedule to the Companies Act 1948, Leasehold Property being stated at revalued amounts, other items being stated in the accounts under the historical cost accounting rules.

(b) Consolidation

(i) The consolidated accounts incorporate the accounts of South Essex Insurance Brokers Limited and its subsidiary. The accounts of all group companies are made up to 31st December annually.

(ii) A separate profit and loss account dealing with the results of the company only has not been presented.

(c) Depreciation and Amortisation

Depreciation is calculated so as to write off the cost of tangible fixed assets by equal instalments over their estimated useful lives as follows:

Leasehold Land and Buildings	Period of Lease
Motor Vehicles	4 years
Fixtures, Fittings and Equipment	5 & 10 years

Goodwill, relating to a life assurance business purchased by company, is amortised over 5 years. In the opinion of the director, this represents a prudent estimate of the period over which the group will derive direct economic benefit from the business acquired.

(d) Deferred Taxation

Deferred taxation is provided in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

2. TURNOVER

Turnover represents commission receivable from insurance companies.

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 31st DECEMBER 1984

(Continued)

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the company
(including director) during the year was as follows:

	<u>1984</u>	<u>1983</u>
Management	2	2
Administration	3	4
Clerical	16	11
	—	—
Total Employees	21	17
	—	—

The aggregate payroll costs of these persons were as follows:

	<u>1984</u>	<u>1983</u>
Wages and Salaries	119,793	106,618
Social Security Costs	11,887	11,168
	—	—
	£ 131,680	£ 117,786
	=====	=====

4. INTEREST

	<u>1984</u>	<u>1983</u>
On bank loans and overdrafts and other loans repayable within five years	£ 3,547	£ 558
	=====	=====

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after
charging:

	<u>1984</u>	<u>1983</u>
Auditors Remuneration and Expenses	2,645	2,645
Directors' Emoluments	20,752	18,900
Depreciation of Tangible Fixed Assets	31,845	24,220
Amortisation of Goodwill	6,800	6,800
	=====	=====

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 31st DECEMBER 1984

(Continued)

6.	DIRECTORS' AND EMPLOYEES' EMOLUMENTS	<u>1984</u>	<u>1983</u>
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The charge for Directors Emoluments comprises:

Emoluments	£ 20,752	£ 18,900
	<u> </u>	<u> </u>

7.	TAXATION	<u>1984</u>	<u>1983</u>
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Taxation based on profit for the year:

Under provision in prior year	7,082	-
Corporation Tax at 30%	315	20,000
Deferred Taxation	-	(389)
	<u> </u>	<u> </u>

	£ 7,399	£ 19,611
	<u> </u>	<u> </u>

8.	(LOSS)/PROFIT FOR THE FINANCIAL YEAR	<u>1984</u>	<u>1983</u>
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Dealt with in the accounts of the company	(15,251)	(9,189)
Retained by subsidiary	(161)	37,064
	<u> </u>	<u> </u>

	£(15,412)	£ 27,875
	<u> </u>	<u> </u>

9. EXTRAORDINARY CHARGE

Extraordinary charge represents provision for deferred taxation arising out of changes in Capital Allowances announced in the 1984 Budget.

10. FIXED ASSETS - INTANGIBLE

Goodwill

Cost:

At 31st December 1983 and 1984	£ 34,000
	<u> </u>

Amortisation:

At 31st December 1983	6,800
Charged in year	6,800
	<u> </u>

At 31st December 1984	£ 13,600
	<u> </u>

Net Book Value:

At 31st December 1984	£ 20,400
	<u> </u>

At 31st December 1983	£ 27,200
	<u> </u>

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 31st DECEMBER 1984
(Continued)

11. FIXED ASSETS - TANGIBLE

Holding Company	<u>Freehold Properties</u>	<u>Long Leasehold Property</u>	<u>Total</u>
Cost or Valuation:			
At 31st December 1983	20, .	58,500	78,737
Additions	15,000	-	15,000
Disposals	(20,237)	-	(20,237)
At 31st December 1984	15,000	58,500	73,500
Depreciation:			
At 31st December 1983	-	3,942	3,942
Charged in year	-	657	657
At 31st December 1984	-	4,599	4,599
Net Book Value:			
At 31st December 1984	£ 15,000	£ 53,901	£ 68,901
At 31st December 1983	£ 20,237	£ 54,558	£ 74,795

Group	<u>Freehold Property</u>	<u>Long Leasehold Property</u>	<u>Motor Vehicles</u>	<u>Furniture, Fittings & Equipment</u>	<u>Total</u>
Cost or Valuation:					
At 31st December 1983	20,237	58,500	73,525	58,590	210,902
Additions	15,120	-	54,353	24,708	94,181
Disposals	(20,357)	-	(34,895)	-	(55,252)
At 31st December 1984	15,000	58,500	93,033	83,298	249,831
Depreciation:					
At 31st December 1983	-	3,942	34,195	25,572	63,709
Charged in year	-	657	22,012	9,176	31,845
Disposals	-	-	(17,137)	-	(17,137)
At 31st December 1984	-	4,599	39,070	34,748	78,417
Net Book Value:					
At 31st December 1984	£ 15,000	£ 53,901	£ 53,963	£ 48,550	£171,414
At 31st December 1983	£20,237	£ 54,558	£ 39,380	£ 33,018	£ 147,193

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 31st DECEMBER 1984

(Continued)

Leasehold Property was valued in 1978 at an amount of £58,500. The value of Leasehold property, included above at a valuation, determined according to the historical cost accounting rules is as follows:

	<u>1984</u>	<u>1983</u>
Cost	15,270	15,270
Depreciation	1,202	1,030
	<hr/>	<hr/>
Net Book Value	£ 14,068	£ 14,240
	<hr/>	<hr/>

12. FIXED ASSETS - INVESTMENTS

	<u>Shares in Group Companies</u>	<u>Loans</u>	<u>Total</u>
Cost at 31st December 1983 and 1984	£ 1,000	£ 20,000	£ 21,000
	<hr/>	<hr/>	<hr/>

13. DEBTORS

	<u>1984</u>	<u>1983</u>
Holding Company		
Trade Debtors	639	639
Amounts owed by Group Company	14,652	-
Other Debtors	5,050	5,997
	<hr/>	<hr/>
	£ 20,341	£ 6,636
	<hr/>	<hr/>
Group		
Trade Debtors	38,746	52,175
Other Debtors	5,050	6,619
Prepayments and Accrued Income	3,370	2,219
	<hr/>	<hr/>
	£ 47,166	£ 61,013
	<hr/>	<hr/>

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 31st DECEMBER 1984

(Continued)

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1984</u>	<u>1983</u>
Holding Company		
Bank Loans and Overdrafts	76,164	28,974
Trade Creditors	13,920	14,236
Amounts owed to Group Company	-	29,548
Other Creditors including Taxation and Social Security	668	1,731
Accruals and Deferred Income	661	662
	<hr/>	<hr/>
	£ 91,413	£ 75,151
	<hr/>	<hr/>
Group		
Bank Loans and Overdrafts	77,542	31,983
Trade Creditors	164,957	194,025
Other Creditors including Taxation and Social Security	15,619	26,201
Accruals and Deferred Income	7,089	6,153
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	£ 265,207	£ 258,362
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Other Creditors includes an amount of £4,240 (1983 £24,470) relating to Taxation and Social Security, of which £315 (1983 £21,037) relates to Corporation Tax.

Bank loans and overdrafts included above amounting to £76,164 are secured by a freehold and leasehold properties of the Group.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1984</u>	<u>1983</u>
Trade Creditors	£ 3,107	£ 1,504
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SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 31st DECEMBER 1984

(Continued)

16. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred Taxation</u>
(a) Balance at 31st December 1983	8,438
Charge for the year in the profit and loss account	-
	<u>£ 8,438</u>

(b) The provision for taxation referred to above
is made up as follows:-

	<u>1984</u>		<u>1983</u>	
	Full		Full	
	Amount	Potential	Amount	Potential
	<u>Provided</u>	<u>Liability</u>	<u>Provided</u>	<u>Liability</u>
Accelerated Capital Allowances	£ 8,438	£ 11,090	£ 8,438	£ 8,438
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17. SHARE CAPITAL

	<u>1984</u>	<u>1983</u>
Authorised: 1,000 Ordinary shares of £1 per share	£ 1,000	£ 1,000
	<u>£ 1,000</u>	<u>£ 1,000</u>
Called up Share Capital, Allotted and Fully Paid: 1,000 Ordinary shares of £1 per share	£ 1,000	£ 1,000
	<u>£ 1,000</u>	<u>£ 1,000</u>

18. FINANCIAL COMMITMENTS

Commitments for Capital Expenditure for which no provision
has been made in these accounts was as follows:

	<u>1984</u>	<u>1983</u>
Authorised but not contracted for	£ Nil	£ 38,000
	<u>£ Nil</u>	<u>£ 38,000</u>

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

NOTES TO THE ACCOUNTS FOR
THE YEAR ENDED 31st DECEMBER 1984

(Continued)

19. REVALUATION RESERVES

	<u>Revaluation Reserve</u>
Balance at 31st December 1983	40,315
Transfer to profit and loss account	(486)
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Balance at 31st December 1984	£ 39,829
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No Provision for deferred taxation has been made in relation to the revaluation of long term leasehold premises. If the group's interest in these premises was disposed of at its balance sheet amount it is estimated that the tax liability would amount to approximately £12,000.

20. SUBSIDIARY COMPANY

The company wholly owns South Essex Insurance Brokers Limited, a company registered in England.

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31st DECEMBER 1984

	<u>1984</u>	<u>1983</u>
SOURCE OF FUNDS		
(Loss)/Profit before Taxation	(8,015)	47,576
Adjustment for items not involving the movement of funds:		
Depreciation and Amortisation	38,645	31,020
Profit on Sale of Tangible Fixed Assets	(1,335)	(3,325)
	<u>37,310</u>	<u>27,695</u>
Total Generated from Operations	29,295	75,271
FUNDS FROM OTHER SOURCES		
Disposal of Tangible Fixed Assets	39,450	9,300
Creditors falling due after more than one year	1,603	-
	<u>£ 70,348</u>	<u>£ 84,571</u>
APPLICATION OF FUNDS		
Purchase of Fixed Assets	94,181	48,315
Taxation Paid	27,172	16,365
Creditors falling due after more than one year	-	8,010
	<u>121,353</u>	<u>72,690</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Debtors	(11,837)	8,764
Creditors falling due within one year	16,928	(57,875)
	<u>5,091</u>	<u>(49,111)</u>
	<u>£ 126,444</u>	<u>£ 23,579</u>
MOVEMENT IN NET LIQUID FUNDS		
Increase/(Decrease) in Cash at Bank and in Hand	(10,538)	49,857
Increase in Overdraft	(45,558)	11,135
	<u>£(56,096)</u>	<u>£ 60,992</u>

REPORT OF THE AUDITORS TO THE MEMBERS OF
SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

We have audited the accounts on Pages 2 to 13 in accordance with approved Auditing Standards.

In our opinion these accounts, which have been prepared on the basis of the accounting policies set out in the notes to the accounts, give a true and fair view of the state of affairs of the company and of the group as at 31st December 1984 and of the loss and source and application of funds of the group for the year ended on that date and comply with the Companies Acts 1948 to 1981.

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



Chartered Accountants.

21st June 1985.