

779100
REGISTRAR OF COMPANIES

SOUTH ESSEX INSURANCE BROKERS LIMITED

ACCOUNTS
FOR THE YEAR ENDED
31st DECEMBER 1977

SMALLFIELD, RAWLINS & CO.
CHARTERED ACCOUNTANTS



SOUTH ESSEX INSURANCE BROKERS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED
31st DECEMBER, 1977

Directors

B. Fehler
I.H. Fehler

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

During 1977 the Company has been able to greatly expand their premium income. The increases have come from two main sources, Livestock Insurance together with associated business and a new arrangement with the National Association of Funeral Directors. During 1978 and 1979 the financial benefits of this substantial increase in business will be realised. The Company is now an established market leader in private equestrian insurance, having several exclusive schemes in this field.

As official brokers to the NAFD, group schemes for all members have been arranged which should progressively influence premium income increases.

Based on the general insurance commission income and leasehold premiums the approximate value of the business as at 31st December 1977 was £200,000.

Calculated on the first six months trading of 1978, the premium income increase will again be in excess of £100,000 for 1978.

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

	<u>£1 Ordinary Shares</u>	
	<u>31.12.1977</u>	<u>31.12.1976</u>
B.Fehler	950	950
I.H.Fehler	50	50

3. The loss for the year to 31st December 1977 amounts to £20,628 which gives rise to a deficit carried forward of £41,078.

4. The Director retiring by rotation is I.H.Fehler who, being eligible, offers herself for re-election.

5. The Directors understand that the market value of Leasehold Property of the Company is £52,000.

By Order of the Board

Secretary

Peartree House,
North Road,
South Ockenden, Essex

SOUTH ESSEX INSURANCE BROKERS LIMITED

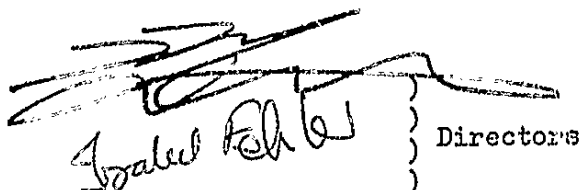
PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31st DECEMBER, 1977

	<u>1977</u>	<u>1976</u>
LOSS FOR THE YEAR	(20,628)	5,013
After charging:		
Directors Remuneration	16,500.	13,500
Depreciation	3,334.	578
Audit Fee	500.	900
Interest paid	<u>2,601.</u>	<u>3,283</u>
DEFICIT BROUGHT FORWARD	20,450	15,437
DEFICIT CARRIED FORWARD	<u>£(41,078)</u>	<u>£(20,450)</u>

SOUTH ESSEX INSURANCE BROKERS LIMITED

BALANCE SHEET AT 31st DECEMBER 1977

	<u>1977</u>	<u>1976</u>
FIXED ASSETS (Note 2)	<u>31,700</u>	<u>18,266</u>
INVESTMENT	<u>8,250</u>	<u>3,750</u>
CURRENT ASSETS		
Stock	-	1,478
Show Expenses	2,160	2,160
Debtors and Prepayments	13,740	13,808
Deposit Accounts	<u>123</u>	<u>120</u>
	<u>16,023</u>	<u>17,566</u>
CURRENT LIABILITIES		
Insurance Companies	29,135	29,760
Creditors and Accrued Charges	31,968	9,206
Bank Overdraft (Secured)	25,890	19,843
Directors Account	<u>58</u>	<u>223</u>
	<u>87,051</u>	<u>59,032</u>
NET CURRENT LIABILITIES	<u>71,028</u>	<u>41,466</u>
TOTAL NET LIABILITIES	<u>£31,078</u>	<u>£19,450</u>
Representing:		
SHARE CAPITAL		
Authorised, Issued and Fully Paid 1,000 Shares of £1 each	1,000	1,000
MORTGAGE	9,000	-
PROFIT AND LOSS ACCOUNT - Deficit	(41,078)	(20,450)
	<u>£31,078</u>	<u>£19,450</u>

 Directors

SOUTH ESSEX INSURANCE BROKERS LIMITED

NOTES ON THE ACCOUNTS FOR THE YEAR
ENDED 31st DECEMBER, 1977

1. ACCOUNTING POLICIES

- i) The accounts have been prepared on the Historic Cost Basis.
- 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% p.a.
Motor Vehicles	Nil in the year of purchase and thereafter 25% p.a.

2. FIXED ASSETS

	<u>Leasehold Properties</u>	<u>Office Furniture and Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost				
At 1st January 1977	5,270	3,702	12,400	21,372
Additions	10,000	1,775	5,808	17,583
	<u>15,270</u>	<u>5,477</u>	<u>18,208</u>	<u>38,955</u>
Disposals	<u>-</u>	<u>28</u>	<u>1,405</u>	<u>1,433</u>
At 31st December 1977	<u>15,270</u>	<u>5,449</u>	<u>16,803</u>	<u>37,522</u>
Depreciation				
At 1st January 1977	408	2,083	615	3,106
Disposals	<u>-</u>	<u>3</u>	<u>615</u>	<u>618</u>
	408	2,080	-	2,488
Provision for year	<u>152</u>	<u>433</u>	<u>2,749</u>	<u>3,334</u>
At 31st December 1977	<u>560</u>	<u>2,513</u>	<u>2,749</u>	<u>5,822</u>
Net Book Value				
At 31st December 1977	<u>£14,710</u>	<u>£2,936</u>	<u>£14,054</u>	<u>£31,700</u>
At 31st December 1976	<u>£4,862</u>	<u>£1,619</u>	<u>£11,785</u>	<u>£18,266</u>

SOUTH ESSEX INSURANCE BROKERS LIMITED

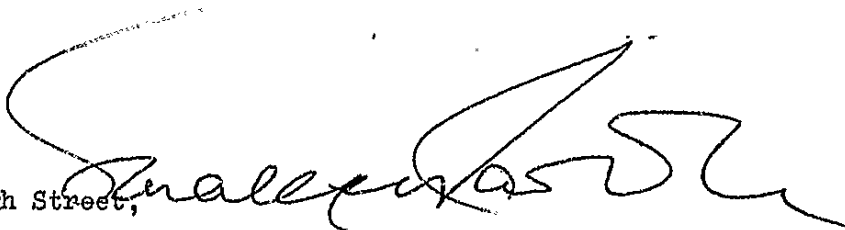
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31st DECEMBER, 1977

	<u>1977</u>	<u>1976</u>
SOURCE OF FUNDS		
Profit before Taxation	(20,628)	(5,013)
Adjustment for items not involving the movement of funds:		
Depreciation	3,334	579
Profit on Sale of Assets	<u>(436)</u> 2,898	<u>(916)</u>
Total Generated from operations	(17,730)	(5,350)
Funds from other sources		
Disposal of Assets	<u>1,250</u>	<u>15,489</u>
	<u>£(16,480)</u>	<u>£10,139</u>
APPLICATION OF FUNDS		
Purchase of Fixed Assets	17,583	21,712
Purchase of Investment	4,500	3,750
Mortgage	(9,000)	
Working Capital Requirements:		
Increase/(Decrease) in Stock	(1,478)	478
(Decrease) in Show Expenses	-	(3,840)
Increase/(Decrease) in Debtors	(68)	3,081
(Increase)/Decrease in Creditors	<u>(22,137)</u> (23,683)	<u>(15,972)</u>
	(10,600)	9,209
Directors Loan Account	(165)	
Bank Cash and Deposits	<u>(6,045)</u>	<u>930</u>
	<u>£(16,480)</u>	<u>£10,139</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 5 together give a true and fair view of the state of affairs at 31st December 1977 and of the loss 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



Chartered Accountants

12.12.78