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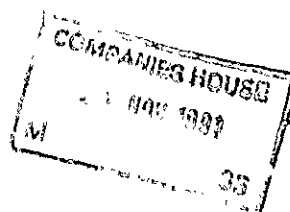
SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

COMPANY NO. 779100

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1990



Kingston Smith Chartered Accountants

Devonshire House	Surrey House	790 Uxbridge Road	Exchange House	105 St. Peter's Street
146 Bishopsgate	Surrey Street	Hayes	180-182 St Mary's Lane	St. Albans

26-11-91

REPORT OF THE AUDITORS TO THE DIRECTOR OF
SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED
PURSUANT TO PARAGRAPH 8 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages two to five together with the full financial statements of South Essex Insurance Brokers Group Limited for the year ended 31st December 1990. The scope of our work for the purpose of this report was limited to confirming that the Company is entitled to the exemptions claimed in the directors' statement on page two and that the abbreviated financial statements have been properly prepared from the full financial statements.

In our opinion the Company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Part I of Schedule 8 to that Act in respect of the year ended 31st December 1990 and abbreviated financial statements on pages two to five have been properly prepared in accordance with that Schedule.

On 1st August 1991 we reported, as auditors of South Essex Insurance Brokers Group Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 1990 and our audit report was as follows:

'We have audited the financial statements on pages three to fourteen in accordance with Auditing Standards.

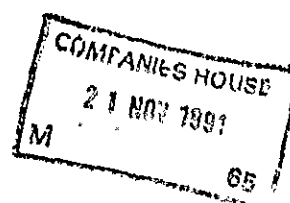
In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 1990 and of its Loss and Source and Application of Funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'

Kingston Smith

KINGSTON SMITH
Chartered Accountants

Devonshire House,
146 Bishopsgate,
London, EC2M 4JX.

7th August 1991



SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED
ABBREVIATED CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 1990

	<u>Note</u>	<u>1990</u>	<u>1989</u>
<u>FIXED ASSETS</u>			
Intangible Assets	2	226,539	-
Tangible Assets	3	344,592	311,572
		<u>571,131</u>	<u>311,572</u>
<u>CURRENT ASSETS</u>			
Stocks		24,144	-
Show Horses		29,500	24,050
Debtors		271,589	275,606
Cash at Bank and in Hand:			
Insurance Broking Accounts		312,072	396,792
Office Accounts		20,340	5,765
		<u>657,645</u>	<u>702,213</u>
<u>CREDITORS: AMOUNTS FALLING</u> <u>DUE WITHIN ONE YEAR</u>	4	<u>939,407</u>	<u>765,758</u>
<u>NET CURRENT LIABILITIES</u>		<u>(281,702)</u>	<u>(63,545)</u>
<u>TOTAL ASSETS LESS CURRENT</u> <u>LIABILITIES</u>		<u>289,369</u>	<u>248,027</u>
<u>CREDITORS: AMOUNTS FALLING</u> <u>DUE AFTER MORE THAN ONE</u> <u>YEAR</u>	5	<u>(171,027)</u>	<u>(72,071)</u>
<u>PROVISION FOR LIABILITIES</u> <u>AND CHARGES</u>		<u>-</u>	<u>(2,109)</u>
<u>NET ASSETS</u>		<u>£118,342</u>	<u>£173,847</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	6	1,000	1,000
Profit and Loss Account		117,342	172,847
		<u>£118,342</u>	<u>£173,847</u>

In preparing these abbreviated financial statements, I have relied on Sections 246 and 247 of the Companies Act 1985 as enabling me to deliver financial statements abbreviated as for a Small Company. By virtue of Section 250 of the same Act, the documents delivered to the Registrar include abbreviated Group Accounts.

.....
B.W. FETTER - DIRECTOR

The financial statements were approved by the Director
on 7th August 1991

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1990

1. ACCOUNTING POLICIES

(a) Accounting Basis and Standards

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The Group acts as an agent in broking the insurable risks of its clients and, generally, is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the Company's legal relationship with clients and underwriters and since in practice premiums and claim monies are usually accounted for by insurance intermediaries, it has followed generally accepted accounting practice by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the Company itself.

(b) Consolidation

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

(ii) A separate Profit and Loss Account dealing solely with the results of the Company has not been presented.

(c) Depreciation

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

Freehold Buildings	- 1% per annum
Leasehold Land and Buildings	- Period of Lease
Motor Vehicles	- 4 years
Fixtures, Fittings and Equipment	- Between 5 and 10 years

(d) Stocks

Stocks are stated at the lower of cost and net realisable value.

(e) Turnover

Turnover represents the value of services provided where invoiced in full. Deposits received have been treated as deferred income.

(f) 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.

(g) Commission

Commission, other than life commission, is credited to the Profit and Loss Account in accordance with the accounts agreed with insurance companies. Life commissions are credited to the Profit and Loss Account as they are received.

(h) Foreign Currencies

Assets held in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the Profit and Loss Account.

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1990 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

(i) Goodwill

Goodwill is determined by comparing the amount paid on the acquisition of a business and the aggregate fair value of its separable net liabilities and is written off over its estimated economic life of 15 years.

(j) Leasing and Hire Purchase

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged in the Profit and Loss Account over the period of the lease.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

2. INTANGIBLE ASSETS

Total

Cost at 1st July 1990	234,351
Amortisation	(7,812)
	<u>£226,539</u>

3. TANGIBLE ASSETS

Cost

At 1st January 1990	530,776
Additions	139,137
Disposals	(8,025)
At 31st December 1990	<u>£66</u>

Depreciation

At 1st January 1990	219,204
Charge for the year	102,104
Disposals	(4,012)
At 31st December 1990	<u>£317,296</u>

Net Book Value

At 31st December 1990	<u>£344,592</u>
At 31st December 1989	<u>£311,572</u>

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1990 (CONTINUED)

4. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

Creditors include bank loans and overdrafts of £58,039 (1989 - £28,378).
The bank loan is secured by a charge over the freehold property.

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

Creditors include bank loans of £18,506 (1989 - £26,906) which is secured
by a charge over the freehold property.

6. <u>SHARE CAPITAL</u>	<u>1990</u>	<u>1989</u>
Authorised:		
1 000 Ordinary Shares of £1 per Share	<u>£ 1,000</u>	<u>£ 1,000</u>
Called up Share Capital, Allotted and Fully Paid:		
1,000 Ordinary Shares of £1 per Share	<u>£ 1,000</u>	<u>£ 1,000</u>

7. LOANS TO DIRECTOR

	<u>Outstanding at 31.12.1990</u>	<u>Maximum Liability during 1990</u>
Included in Other Debtors is the following:		
B.W. Fehler	<u>£ 6,142</u>	<u>£ 6,142</u>

The above loan was repaid in full in January 1991.