

779100

MODIFIED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1987



**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
London	Croydon	Middlesex	Upminster	Herts
EC2M 4JX	Surrey CR0 1SZ	UB4 0RS	Essex RM14 3BT	AL1 3EJ

REPORT OF THE AUDITORS TO THE DIRECTORS OF  
SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED  
UNDER SCHEDULE 8 PARA 10(3) OF THE COMPANIES ACT 1985

We have examined the financial statements on pages two to five which have been modified, in the manner permitted for a small Company, from the accounts of the Group prepared for its members for the year ended 31st December 1987.

In our opinion, the Directors are entitled to deliver modified accounts in respect of the year ended 31st December 1987 and the modified accounts attached are properly prepared in accordance with Schedule 8 of the Companies Act 1985.

We set out below the text of our report dated 6th September 1988 to the members on the unmodified accounts for the year ended 31st December 1987.

'We have audited the financial statements on pages two to thirteen in accordance with approved Auditing Standards.

In our opinion these financial statements, which have been prepared on the basis of the accounting policies set out in the Notes to 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 1987 and of the Profit and Source and Application of Funds of the Group for the year ended on that date and comply with the Companies Act 1985'.

*Kingston Smith*  
KINGSTON SMITH  
Chartered Accountants

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

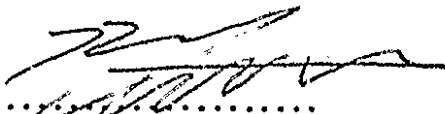
6th September 1988

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

MODIFIED CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 1987

	<u>Note</u>	<u>1987</u>	<u>1986</u>
<u>FIXED ASSETS</u>			
Intangible Assets		-	6,800
Tangible Assets		307,502	263,199
		<u>307,502</u>	<u>269,999</u>
<u>CURRENT ASSETS</u>			
Show Horses	8,850	5,350	
Debtors	240,714	144,802	
Cash at Bank and in Hand	263,643	116,772	
	<u>513,207</u>	<u>266,924</u>	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		<u>595,586</u>	<u>362,866</u>
<u>NET CURRENT LIABILITIES</u>		<u>(82,379)</u>	<u>(95,942)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>225,123</u>	<u>174,057</u>
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>		<u>136,627</u>	<u>85,125</u>
<u>PROVISION FOR LIABILITIES AND CHARGES</u>		<u>4,086</u>	<u>8,050</u>
<u>NET ASSETS</u>		<u>£ 84,410</u>	<u>£ 80,882</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	2	1,000	1,000
Revaluation Reserve		19,245	19,468
Profit and Loss Account		64,165	60,414
		<u>£ 84,410</u>	<u>£ 80,882</u>

In preparing these modified financial statements, I have relied on Sections 247 to 249 of the Companies Act 1985 as enabling me to deliver financial statements modified as for a small Company. By virtue of Section 250 of the same Act, the documents delivered to the Registrar include modified group accounts.

  
 .....  
 B.W. FEHLER - DIRECTOR

The financial statements were approved by the Board of Directors  
 on 27<sup>th</sup> June 1988.

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED  
MODIFIED BALANCE SHEET AS AT 31ST DECEMBER 1987

	<u>Note</u>	<u>1987</u>	<u>1986</u>
<u>FIXED ASSETS</u>			
Intangible Assets		-	6,800
Tangible Assets		40,966	42,294
Investments		1,000	1,000
		<u>41,966</u>	<u>49,094</u>
<u>CURRENT ASSETS</u>			
Debtors		-	17,196
Cash at Bank and in Hand		4,898	2,802
		<u>4,898</u>	<u>19,998</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		<u>26,531</u>	<u>50,741</u>
<u>NET CURRENT LIABILITIES</u>		<u>(21,636)</u>	<u>(30,743)</u>
<u>TOTAL ASSETS LESS LIABILITIES</u>		<u>£ 20,330</u>	<u>£ 18,351</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	2	1,000	1,000
Revaluation Reserve		19,245	19,468
Profit and Loss Account		85	(2,117)
		<u>£ 20,330</u>	<u>£ 18,351</u>

In preparing these modified financial statements, I have relied on Section 247 to 249 of the Companies Act 1985 as enabling me to deliver financial statements modified for a small Company.

  
B.W. FEHLER

- DIRECTOR

The financial statements were approved by the Board of Directors  
on 27<sup>th</sup> June 1988

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED

NOTES TO THE MODIFIED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1987

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the alternative accounting rules set out in the 4th Schedule to the Companies Act 1985, Leasehold Property being stated at revalued amounts, other items being stated in the financial statements under the historical cost accounting rules.

(b) Consolidation

(i) The consolidated financial statements incorporate the financial statements of South Essex Insurance Brokers Group Limited and its Subsidiary. 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 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:

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

Goodwill, relating to a life assurance business purchased by the 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.

(e) 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.

(f) 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.

(g) 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 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.

SOUTH ESSEX INSURANCE BROKERS GROUP LIMITED  
NOTES TO THE MODIFIED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1987 (CONTINUED)

2. <u>SHARE CAPITAL</u>	<u>1987</u>	<u>1986</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>