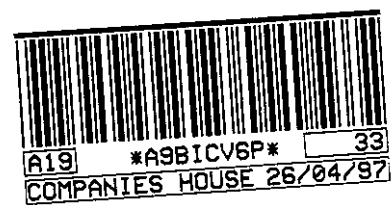


Registered No.
00786973
(England and Wales)

FIRTH & SCOTT (INSURANCE BROKERS) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 1996



FIRTH & SCOTT (INSURANCE BROKERS) LIMITED

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**AUDITORS' REPORT TO FIRTH & SCOTT (INSURANCE BROKERS) LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of Firth & Scott (Insurance Brokers) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1996, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 11 April 1997 we reported, as auditors of Firth & Scott (Insurance Brokers) Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996, and our audit report was as follows:

'We have audited the financial statements on pages 3 to 11 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of directors and auditors

As described in the Directors' Report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**AUDITORS' REPORT TO FIRTH & SCOTT (INSURANCE BROKERS) LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
TO THE COMPANIES ACT 1985 CONTINUED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'

Newby Castleman

Newby Castleman
Chartered Accountants
Registered Auditors
Nottingham

11 April 1997

Newby Castleman

FIRTH & SCOTT (INSURANCE BROKERS) LIMITED

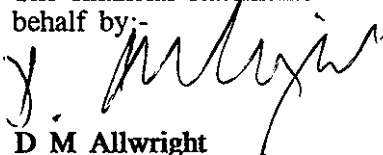
ABBREVIATED BALANCE SHEET - 31 DECEMBER 1996

	Notes	1996 £	1995 £
Fixed Assets	2	66,828	74,579
Current Assets			
Stocks		1,563	1,370
Debtors		129,134	75,707
Cash at bank and in hand		35,050	40,730
		<u>165,747</u>	<u>117,807</u>
Creditors: amounts falling due within one year		<u>124,692</u>	<u>64,950</u>
Net Current Assets		<u>41,055</u>	<u>52,857</u>
Total Assets Less Current Liabilities		<u>107,883</u>	<u>127,436</u>
Creditors: amounts falling due after more than one year		11,529	19,684
Provision for Liabilities and Charges		<u>1,598</u>	<u>2,222</u>
		<u>94,756</u>	<u>105,530</u>
Capital and Reserves			
Called up share capital	3	1,153	1,153
Profit and loss account		93,603	104,377
Shareholders' Funds		<u>94,756</u>	<u>105,530</u>

In preparing these abbreviated accounts the directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion the company is entitled to those exemptions as a small company.

In preparing the financial statements the directors have taken advantage of the special exemptions applicable to small companies conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion the company is entitled to those exemptions as a small company.

The financial statements were approved by the Board on 10 April 1997 and signed on their behalf by:-



D M Allwright
Director

FIRTH & SCOTT (INSURANCE BROKERS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - 31 DECEMBER 1996

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

1.3 Brokerage recognition

Turnover represents the value of brokerage fees and commissions earned by the company. Commissions earned are accounted for on a daily basis following 1 November 1995 when the company joined the Broker Network.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Alteration to premises	-	25% Per annum of net book value
Fixtures, fittings and equipment	-	25% per annum of net book value
Motor vehicles	-	25% per annum of net book value

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.9 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that the directors consider that a net liability may crystallise.

FIRTH & SCOTT (INSURANCE BROKERS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - 31 DECEMBER 1996 (CONTINUED)

2. Fixed assets

	Tangible assets	Investments	Total
	£	£	£
Cost			
At 1 January 1996	206,334	-	206,334
Additions	7,868	5,000	12,868
	<u>214,202</u>	<u>5,000</u>	<u>219,202</u>
At 1 January 1996 & At 31 December 1996	214,202	5,000	219,202
Depreciation			
At 1 January 1996	131,755	-	131,755
Charge for year	20,619	-	20,619
	<u>152,374</u>	<u>-</u>	<u>152,374</u>
At 31 December 1996	152,374	-	152,374
Net book values			
At 31 December 1995	74,579	-	74,579
	<u>61,828</u>	<u>5,000</u>	<u>66,828</u>
At 31 December 1996	61,828	5,000	66,828

3. Share Capital

	1996 £	1995 £
Authorised		
8,000 Ordinary shares of £1 each	8,000	8,000
2,000 'A' Ordinary shares of £1 each	2,000	2,000
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
1,133 Ordinary shares of £1 each	1,133	1,133
20 'A' Ordinary shares of £1 each	20	20
	<u>1,153</u>	<u>1,153</u>

FIRTH & SCOTT (INSURANCE BROKERS) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - 31 DECEMBER 1996 (CONTINUED)

4. Related party transactions

- a) During the year the company transacted business in respect of its directors for which it received no commission.
- b) The company transacted with other related parties as follows:

	Management charges £
Firth & Scott (Financial Services) Limited	16,308
Allwright, Reed & Hopkins	29,991
	<u> </u>

At the year end the following amounts remained outstanding:

Firth & Scott (Financial Services) Limited	16,308
Allwright, Reed & Hopkins	29,991
	<u> </u>

These businesses are related to each other as they are under the direct control of three or more of the company's directors.