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SMART & COOK LIMITED
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2007

(Company Registration Number 931954)

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SMART & COOK LIMITED

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SMART & COOK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

31 DECEMBER 2007

DIRECTORS

Mr S C Reid	(Appointed 25 January 2008)
Mr P C Meehan, FCII	(Resigned 25 January 2008)
Mr I G Story, FCCA	
Mr K Popplewell, FCII	(Resigned 30 September 2007)
Mr I L Shay, ACA	(Resigned 31 August 2007)
Mr N Thornton, ACII	
Mr M J Sugden, ACII	
Mr A C Tickner, FCII, AIRM	

SECRETARY

Mr I L Shay, ACA	(Resigned 31 August 2007)
Mrs L McDonell, LLB	(Appointed 1 September 2007)

REGISTERED OFFICE

4 – 6 Ripon Road
Harrogate
HG1 2HH

BANKERS

The Royal Bank of Scotland
7 Cambridge Crescent
Harrogate
HG1 1PH

SOLICITORS

Pinsent Masons
1 Park Row
Leeds
LS1 5AB

AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants
Hay's Galleria
1 Hays Lane
London
SE1 2RD

SMART & COOK LIMITED

DIRECTORS' REPORT

31 DECEMBER 2007

The directors present their report and the audited financial statements for the eight month period ended 31 December 2007

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of insurance brokers and consultants

REVIEW OF BUSINESS

Revenue growth continued in the period with an increase of 20% to £25.2m (compared to £21.0m in the corresponding prior eight month period). This was achieved through a combination of organic growth and acquisition.

The profit for the period before taxation amounted to £2,448,154 (eight month period to 31 December 2006: £3,949,843).

We are now operating from twenty-eight branches with over eight hundred employees.

So as to fall in line with the new group structure the year end has been changed to 31 December.

FUTURE PROSPECTS

The directors are optimistic about the long term prospects for continued growth.

DIVIDENDS

No dividend was paid or proposed in the current period or preceding year.

ACQUISITIONS

On 1 May 2007 the company acquired the trade and assets of Powell Price & Co. On 31 July 2007 the company acquired the trade and assets of the Willis Cumbria business.

Further details of the acquisition are given in note 7 to the accounts.

DIRECTORS

The directors who have served at any time since 1 May 2007 are shown on page 1.

Directors' & Officers insurance has been maintained throughout the period.

CHARITABLE CONTRIBUTIONS

During the period the company made charitable donations of £4,838 (twelve month period to 30 April 2007: £11,617), principally to local charities serving the communities in which the company operates.

ENVIRONMENT

As the company operates in the financial services sector, its actions do not have a significant environmental impact. However, the company does recognise the importance of the environment, and acts to minimise its impact on the environment wherever it can, including recycling and reducing energy consumption.

SMART & COOK LIMITED

DIRECTORS' REPORT (CONTINUED)

31 DECEMBER 2007

PRINCIPAL RISKS AND UNCERTAINTIES

The insurance market in the UK remains very soft and in a continuing cyclical downturn, which could result in reduced revenues. The company manages this risk by securing increased rates and improved terms with the major insurers and by winning new business from competitors, in order to protect our income, whilst maintaining strong relationships with both customers and the insurers.

The key regulations which affect the group are those set by the Financial Services Authority (FSA). The group monitors developments in the regulatory environment so that it can be aware of any changes, and act in a timely and efficient manner in order to comply with any new regulations. The group invests a significant amount of time and resource in this area, including the Chief Executive personally driving compliance throughout the organisation, and his attendance at joint sessions between the industry and the FSA on hot topics.

The group manages its credit risk by ensuring that it receives cash from its clients in respect of premiums before paying on those premiums to insurers.

Operational risk is managed by management who assess the risks which are faced by the company and then formulate an appropriate plan of action in order to address and mitigate these risks. The Board then oversees and monitors the operational risk management.

No other key performance indicators are considered necessary by the directors for an understanding of the company development, performance or position, other than those referred to above in the Review of Business section.

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and the company's intranet. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

SMART & COOK LIMITED

DIRECTORS' REPORT (CONTINUED)

31 DECEMBER 2007

AUDITORS

Deloitte & Touche LLP tendered their resignation as auditors of the company during the period and the directors subsequently appointed PricewaterhouseCoopers LLP

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they will be reappointed will be proposed at the annual general meeting

Approved by the Board of Directors
and signed on behalf of the Board



Mrs L McDonnell
Secretary

9 October 2008

SMART & COOK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

31 DECEMBER 2007

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SMART & COOK LIMITED

We have audited the financial statements of Smart & Cook Limited for the period ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the note of historical cost profit and losses, the accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein. The financial statements of the Company as of 30 April 2007, were audited by another auditor whose report dated 10 January 2008, expressed an unqualified opinion on those statements.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statements of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

continued on page 7

**INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF SMART & COOK LIMITED (CONTINUED)**

continued from page 6

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
9 October 2008

SMART & COOK LIMITED

PROFIT & LOSS ACCOUNT

31 DECEMBER 2007

	Note	8 Months to 31 December 2007 £	12 Months to 30 April 2007 £
TURNOVER	1	25,164,030	35,049,126
Administrative expenses		(22,906,711)	(27,533,480)
Other operating income		1,754	-
Operating profit	3	<u>2,259,073</u>	<u>7,515,646</u>
Income from fixed asset investments		-	25,000
Interest receivable and similar income	4	1,110,937	1,333,751
Interest payable and similar charges	5	(20,804)	(71,413)
Profit on ordinary activities before taxation		<u>3,349,206</u>	<u>8,802,984</u>
Tax on profit on ordinary activities	6	(901,052)	696,558
Retained profit for the period/year	16	<u><u>2,448,154</u></u>	<u><u>9,499,542</u></u>

All activities relate to continuing operations

It has not been possible to split out the performance of acquisitions made during the period/year

There are no recognised gains and losses for the current financial period or preceding financial year other than as stated in the profit and loss account

NOTE OF HISTORICAL COST PROFIT AND LOSSES

	8 Months to 31 December 2007 £	12 Months to 30 April 2007 £
Profit on ordinary activities before taxation	3,349,206	8,802,984
Difference between the historical cost depreciation charge and the actual depreciation charge for the period/year calculated on the revalued amount	4,069	4,069
Historical cost profit on ordinary activities before taxation	<u>3,353,275</u>	<u>8,807,053</u>
Historical cost profit for the period/year retained after taxation and dividends	<u><u>2,452,223</u></u>	<u><u>9,503,611</u></u>

SMART & COOK LIMITED

BALANCE SHEET

31 DECEMBER 2007

	Note	31 December 2007 £	30 April 2007 £
Fixed assets			
Intangible assets	7	10,262,212	8,796,254
Tangible assets	8	2,843,238	2,739,652
Investments	9	643,879	643,879
		<u>13,749,329</u>	<u>12,179,785</u>
Current assets			
Debtors	10	20,969,918	24,771,809
Cash at bank and in hand	11	27,874,744	23,587,654
		<u>48,844,662</u>	<u>48,359,463</u>
Creditors: amounts falling due within one year	12	46,129,217	46,637,644
Net current assets		<u>2,715,445</u>	<u>1,721,819</u>
Total assets less current liabilities		16,464,774	13,901,604
Creditors: amounts falling due after more than one year	13	1,998,400	2,077,798
Provisions for liabilities & charges	14	497,959	303,545
Total net assets		<u>13,968,415</u>	<u>11,520,261</u>
Capital & reserves			
Called-up share capital	15	500	500
Revaluation reserve	16	166,801	170,870
Profit and loss account	16	13,801,114	11,348,891
Total equity shareholders' funds	17	<u>13,968,415</u>	<u>11,520,261</u>

These financial statements were approved by the Board of Directors on 9 October 2008

Signed on behalf of the Board of Directors



Mr I G Story
Director

SMART & COOK LIMITED

ACCOUNTING POLICIES

31 DECEMBER 2007

The financial statements are prepared in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been consistently applied in the current period and previous year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold properties.

Intangible fixed assets

Goodwill arising on acquisition is capitalised in the balance sheet at cost less any provision for impairment, and is amortised through the profit and loss account in equal instalments over a maximum of twenty years being the period over which benefit is expected to be derived.

Tangible fixed assets

The company's policy is to carry all assets at historical cost except for Freehold Property which has been included in the balance sheet at a valuation existing on 30 April 2000 when the company implemented 'FRS 15 – Measurement of Tangible Fixed Assets' for the first time.

Depreciation on fixed assets has been provided as follows:

Freehold property	2% Straight line basis
Leasehold property	Over the term of the lease
Computer equipment	20% Straight line basis
Fixtures, fittings and office equipment	15% Reducing balance basis
Motor vehicles	25% Reducing balance basis

Contributions to pension scheme

The group arranges on behalf of the directors and other employees a defined contribution pension scheme, the cost of which is charged against the profits of the company in the year in which the expenditure is incurred.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

Operating leases

Rentals in respect of operating leases are charged to the profit & loss account in equal annual amounts over the lease term.

SMART & COOK LIMITED

ACCOUNTING POLICIES (CONTINUED)

31 DECEMBER 2007

Hire purchase contracts

Assets held under hire purchase contracts are capitalised at their fair value on the inception of the contract and depreciated over their estimated useful lives. The finance charges are allocated over the period of the contract in proportion to the capital amount outstanding.

Turnover

Turnover represents commissions and fees earned in the period net of discounts and allowances and is accounted for as earned when the policy is incepted.

Investments

Investments are stated at cost less provision for impairment in value.

Claims servicing costs

Claims servicing costs are expensed in the period incurred.

Insurance broking assets and liabilities

The company acts as an agent in broking the insurable risks for 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 premium 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.

Cash flow statement

Under FRS 1 – Cash Flow Statements (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a subsidiary undertaking of a parent undertaking which produces a consolidated cash flow statement. The cash flow of the company is consolidated in the AXA SA group financial statements.

SMART & COOK LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 2007

1 TURNOVER

There are no segments of the business which are substantially different from each other. Turnover is wholly attributable to operations within the UK.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	8 Months to 31 December 2007 £	12 Months to 30 April 2007 £
Directors' remuneration		
Emoluments inclusive of benefits in kind	521,946	1,387,498
Pension contributions	36,669	57,688
	<u>558,615</u>	<u>1,445,186</u>
Emoluments of highest paid director	<u>146,232</u>	<u>421,377</u>
Pension contributions of highest paid director	<u>10,281</u>	<u>13,969</u>
The highest paid director exercised options during the preceding year		
	No.	No.
The number of directors for whom the company has made pension contributions		
Defined contribution scheme	<u>7</u>	<u>8</u>
Number of directors who exercised options	<u>-</u>	<u>6</u>
Directors compensation for loss of office	<u>478,800</u>	<u>-</u>
Average number of persons employed	<u>677</u>	<u>582</u>
	8 Months to 31 December 2007 £	12 Months to 30 April 2007 £
Staff costs during the year (including directors, excluding benefits in kind)		
Wages and salaries	13,582,898	16,665,145
Social security costs	1,364,361	1,788,702
Pension costs	556,189	794,287
	<u>15,503,448</u>	<u>19,248,134</u>

SMART & COOK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

31 DECEMBER 2007

3. OPERATING PROFIT

	8 Months to 31 December 2007 £	12 Months to 30 April 2007 £
Operating profit is stated after charging		
Depreciation – owned assets	314,603	413,218
– leased and hire purchase assets	1,524	53,825
Loss on disposal of fixed assets	11,019	12,646
Amortisation of goodwill	388,609	555,889
Operating lease rentals – land & buildings	711,601	940,028
– other	6,340	19,821
Auditors' remuneration – audit fees	78,108	52,306
– tax services	-	93,546
	<u>-</u>	<u>-</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	8 Months to 31 December 2007 £	12 Months to 30 April 2007 £
Bank interest receivable	<u>1,110,937</u>	<u>1,333,751</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	8 Months to 31 December 2007 £	12 Months to 30 April 2007 £
Bank loans and overdrafts	-	18,644
Hire purchase contracts	12,028	17,215
Other short term interest	8,776	35,554
	<u>20,804</u>	<u>71,413</u>

SMART & COOK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

31 DECEMBER 2007

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	8 Months to 31 December 2007 £	12 Months to 30 April 2007 £
UK tax based on the profit for the period/year	873,972	(615,870)
Under provision in previous years	-	123,020
	<u>873,972</u>	<u>(492,850)</u>
Deferred tax – timing differences	27,080	(204,823)
– adjustment in respect of prior years	-	1,115
	<u>901,052</u>	<u>(696,558)</u>

The standard rate of current tax for the period/year, based on the UK standard rate of corporation tax is 30% (30 April 2007 30%) The current tax charge for the period/year is less than 30% (30 April 2007 30%) for the reasons set out in the following reconciliation

Profit on ordinary activities before tax	<u>3,349,206</u>	<u>8,802,984</u>
Tax on profit on ordinary activities at standard rate	1,004,762	2,640,895
Factors affecting charge		
Expenses not deductible	69,134	133,640
Income not taxable	-	(7,500)
Utilisation of tax losses	(186,808)	-
Share option tax deductions	-	(3,580,349)
Tax losses carried forward	-	212,796
Capital allowances in excess of depreciation	(13,116)	(23,089)
Short term timing differences	-	7,737
Prior year adjustment	-	123,020
Current tax charge/(credit) for the period/year	<u>873,972</u>	<u>(492,850)</u>

SMART & COOK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

31 DECEMBER 2007

7. INTANGIBLE ASSETS

	Goodwill £
Cost	
At 1 May 2007	10,989,587
Additions	1,567,911
Adjustments	36,893
Transferred from fellow subsidiary undertakings	249,763
At 31 December 2007	<u>12,844,154</u>
Amortisation	
At 1 May 2007	2,193,333
Charge	388,609
At 31 December 2007	<u>2,581,942</u>
Net book value	
At 31 December 2007	<u>10,262,212</u>
At 30 April 2007	<u>8,796,254</u>

Additions	Date Acquired	Cash Consideration £	Deferred Consideration £	Total Consideration £
The Willis Cumbria business	31 July 2007	1,564,911	-	1,564,911
Powell Price & Co	1 May 2007	3,000	-	3,000
		<u>1,567,911</u>	<u>-</u>	<u>1,567,911</u>

The results of the above businesses for the periods since acquisition are not separately identifiable, as the contributions of the acquired entities have been merged into the group's other business activities immediately upon acquisition. It is therefore not possible to state the financial performance of these businesses after the acquisition date.

Adjustments

The acquisitions in recent years of various insurance broking businesses comprised both fixed and variable elements of deferred consideration, dependent on the subsequent performances of the businesses. The performance of these businesses in the current year has resulted in adjustments to the goodwill on acquisition and to the estimated deferred consideration (see notes 12 and 13).

SMART & COOK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

31 DECEMBER 2007

8 TANGIBLE ASSETS

	Freehold property £	Short leasehold property £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or Valuation						
At 1 May 2007	933,575	372,764	930,918	1,754,402	526,001	4,517,660
Additions	-	26,055	112,938	267,631	108,615	515,239
Transferred from fellow subsidiary undertakings	-	21,030	99,776	70,783	112,272	303,861
Disposals	-	-	(11,135)	(4,982)	(487,323)	(503,440)
At 31 December 2007	933,575	419,849	1,132,497	2,087,834	259,565	4,833,320
Depreciation						
At 1 May 2007	121,714	160,790	347,957	1,023,835	123,712	1,778,008
Charge	12,447	23,207	65,307	178,531	36,635	316,127
Disposals	-	-	(2,781)	(1,866)	(99,406)	(104,053)
At 31 December 2007	134,161	183,997	410,483	1,200,500	60,941	1,990,082
Net book value						
At 31 December 2007	799,414	235,852	722,014	887,334	198,624	2,843,238
At 30 April 2007	811,861	211,974	582,961	730,567	402,289	2,739,652

The net book value of the company's assets includes the following amounts in respect of assets held under hire purchase contracts

At 31 December 2007	-	-	-	-	35,068	35,068
At 30 April 2007	-	-	-	-	254,785	254,785

As stated in the accounting policies, the company carries freehold property at its 30 April 2000 revalued amount

If stated under the historical cost convention the freehold property would be as follows

	31 December 2007 £	30 April 2007 £
Cost	724,152	691,153
Net book value	633,777	615,261

SMART & COOK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

31 DECEMBER 2007

9. INVESTMENTS

	Subsidiaries £	Un-quoted £	Total £
At 30 April 2007 and 31 December 2007	603,727	40,152	643,879

Summary of investment subsidiaries

Subsidiary	Principal activity	Country of incorporation and registration	Shares held Class	%
Castlegate Insurance Brokers Limited	Insurance Broking & Consultancy	England and Wales	Ordinary	100
Mandroyds Limited	Insurance Broking & Consultancy	England and Wales	Ordinary	100
L W Holdings Limited	Insurance Broking & Consultancy	Scotland	Ordinary	100

In the opinion of the directors the value of the shares in Castlegate Insurance Brokers Limited, Mandroyds Limited and L W Holdings Limited is not less than that stated in the balance sheet of those companies

10. DEBTORS

	31 December 2007 £	30 April 2007 £
Trade debtors Insurance broking account	13,750,928	17,255,857
Amounts owed by fellow subsidiary undertakings	4,438,078	3,943,007
Corporation tax	-	1,352,350
Other debtors	1,623,586	1,393,601
Prepayments and accrued income	1,157,326	826,994
	<u>20,969,918</u>	<u>24,771,809</u>

SMART & COOK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

31 DECEMBER 2007

11. CASH AT BANK AND IN HAND

	31 December 2007	30 April 2007
	£	£
Insurance broking accounts	26,385,784	22,854,765
Office accounts	1,482,240	729,094
Cash accounts	6,720	3,795
	<u>27,874,744</u>	<u>23,587,654</u>

The presentation of cash at bank and bank overdraft in note 12 reflects the commercial arrangements the company has with its bankers

12. CREDITORS: amounts falling due within one year

	31 December 2007	30 April 2007
	£	£
Office bank overdrafts (note 11)	-	173,384
Obligations under hire purchase contracts	31,295	149,564
Trade creditors		
Insurance broking account	28,143,941	29,839,802
Other	234,949	904,269
Amounts owed to parent company	4,464,546	3,915,311
Amounts owed to fellow subsidiary undertakings	7,154,203	5,466,289
Corporation tax	625,820	-
Other tax and social security	819,764	2,605,089
Deferred consideration	786,850	786,850
Other creditors	2,709,430	1,833,179
Accruals and deferred income	1,158,419	963,907
	<u>46,129,217</u>	<u>46,637,644</u>

13 CREDITORS: amounts falling due after more than one year

	31 December 2007	30 April 2007
	£	£
Obligations under hire purchase contracts		
Amounts due between one and two years	-	75,036
Amounts due between two and five years	-	4,362
Amounts owed to parent company	1,850,000	1,850,000
Deferred consideration		
Amounts due between one and two years	148,400	148,400
	<u>1,998,400</u>	<u>2,077,798</u>

The amount owed to parent company is interest free and repayable in full or in part on 37 months' notice on a rolling basis

SMART & COOK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

31 DECEMBER 2007

14. PROVISIONS FOR LIABILITIES AND CHARGES

	Provision for dilapidations £	Other provisions £	Deferred taxation £	Total £
At 1 May 2007	347,624	178,500	(222,579)	303,545
Utilised	-	(9,000)	-	(9,000)
Created	-	-	27,080	27,080
Released	-	(14,500)	-	(14,500)
Transferred from fellow subsidiary undertakings	183,675	-	7,159	190,834
At 31 December 2007	531,299	155,000	(188,340)	497,959

Other provisions represent the excess on the company's professional indemnity insurance policy

The amounts of deferred taxation provided and unprovided in the financial statements are as follows

	Provided 31 December 2007 £	Provided 30 April 2007 £	Not provided 31 December 2007 £	Not provided 30 April 2007 £
Capital allowances in excess of depreciation	(188,340)	(222,579)	-	-
Tax losses	-	-	-	(1,361)
	(188,340)	(222,579)	-	(1,361)

15. CALLED-UP SHARE CAPITAL

	31 December 2007		30 April 2007	
	No.	£	No.	£
Authorised:				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Allotted, called-up and fully-paid:				
Ordinary shares of £1 each	500	500	500	500

16. RESERVES

	Profit and loss account £	Revaluation reserve £	Total £
At 1 May 2007	11,348,891	170,870	11,519,761
Retained profit for the period	2,448,154	-	2,448,154
Transfer of amount equivalent to additional depreciation on revalued assets	4,069	(4,069)	-
At 31 December 2007	13,801,114	166,801	13,967,915

SMART & COOK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

31 DECEMBER 2007

17. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	31 December 2007 £	30 April 2007 £
Profit for the financial period/year	2,448,154	9,499,542
Net addition to equity shareholders' funds	<u>2,448,154</u>	<u>9,499,542</u>
Opening equity shareholders' funds	11,520,261	2,020,719
Closing equity shareholders' funds	<u><u>13,968,415</u></u>	<u><u>11,520,261</u></u>

18. OPERATING LEASE COMMITMENTS

At 31 December 2007, the company was committed to make the following payments, during the next year, in respect of operating leases

	Land and buildings 31 December 2007 £	Vehicles, plant and equipment 31 December 2007 £	Land and buildings 30 April 2007 £	Vehicles, plant and equipment 30 April 2007 £
Leases which expire				
Within one year	126,804	24,513	80,450	-
Within two to five years	392,066	128,271	284,241	-
After five years	478,537	-	372,618	-
	<u><u>997,407</u></u>	<u><u>152,784</u></u>	<u><u>737,309</u></u>	<u><u>-</u></u>

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in 'FRS 8 - Related Party Disclosures' not to disclose transactions with other group companies

20. GROUP ACCOUNTS

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of AXA SA, a company incorporated in France, and is included in the consolidated financial statements of that company.

These financial statements present information about the company as a single undertaking rather than a group.

SMART & COOK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

31 DECEMBER 2007

21. ULTIMATE PARENT COMPANY

The Company's immediate parent is Smart & Cook Group Limited, a company incorporated in Great Britain and registered in England and Wales

The Company's ultimate parent is AXA SA, a company incorporated in France. The parent of the largest and smallest group which includes the Company and for which group financial statements are prepared is AXA SA. Copies of the AXA SA group financial statements can be obtained from 23, avenue Matignon, 75008 Paris, France.