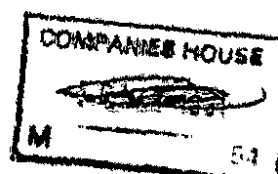
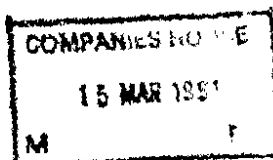


1033743

JOHN BUCKINGHAM  
(INSURANCE BROKERS) LIMITED

DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS

for the period 1 DECEMBER 1988 to  
31 DECEMBER 1989



BDO BINDER HAMLYN  
Chartered Accountants

JOHN BUCKINGHAM (INSURANCE BROKERS) LIMITED

DIRECTORS: B.K. Scowcroft  
J. Scowcroft  
M.A. Wheawell  
F. Blashill

SECRETARY: S.A. Taylor

REGISTERED OFFICE: 31/33 Princess Street  
Manchester M2 4EW

AUDITORS: BDO Binder Hamlyn  
Scottish Provident House  
52 Brown Street  
Manchester M2 2AU

SOLICITORS: Janet Scowcroft & Co.  
31/33 Princess Street  
Manchester M2 4EW

REGISTERED NUMBER: 1033743 England

JOHN BUCKINGHAM (INSURANCE BROKERS) LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements of the company for the period 1 December 1988 to 31 December 1989.

**BUSINESS REVIEW**

The principal activity of the company continued to be insurance broking until it ceased to trade on 30 November 1988.

The company's accounting period was changed to 31 December 1989 to be co-terminus with other group companies. The comparative figures are for the 10 month period ended 30 November 1988.

On 6 December 1988 the whole of the issued share capital of the company was acquired by Swinton Group Limited, a subsidiary of Swinton (Holdings) Limited, at which time the trade and all trading assets and liabilities were transferred to a group company, Swinton Group Limited.

**RESULTS AND DIVIDEND**

The results for the period are shown in the profit and loss account on page 4.

An interim dividend of £31,861 was paid, and a final dividend of £365,933 was proposed, during the period.

**FIXED ASSETS**

The movements in fixed assets during the period are shown in notes 8 and 9 on page 9.

**DIRECTORS**

The members of the board during the period were:

J. Buckingham	(resigned 6 December 1988)
P.T. Palmer	(resigned 6 December 1988)
D.C. Jones	(resigned 6 December 1988)
A.A. Saunders	(resigned 6 December 1988)
B.J. Hill	(resigned 6 December 1988)
A.J. Buckingham	(resigned 6 December 1988)
M.A. Wheawell	(appointed 6 December 1988)
B.K. Scowcroft	(appointed 31 May 1989)
J. Scowcroft	(appointed 31 May 1989)
F. Blashill	(appointed 31 May 1989)

At 31 December 1989, B.K. Scowcroft, J. Scowcroft and F. Blashill were directors of the ultimate holding company, Swinton (Holdings) Limited, and their share interests are disclosed in that company's financial statements. The other director had no interest in the shares of the company or any other group company.


**TAXATION STATUS**

In the opinion of the directors, the company is a "close" company as defined by the Income and Corporation Taxes Act 1988.

**AUDITORS**

In accordance with Section 384 of the Companies Act 1985, a resolution will be submitted at the Annual General Meeting to re-appoint BDO Binder Hamlyn as auditors.

By order of the Board

  
S.A. TAYLOR

1 October 1990

Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF  
JOHN BUCKINGHAM (INSURANCE BROKERS) LIMITED

We have audited the financial statements set out on pages 4 to 11 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the company's affairs at 31 December 1989 and have been properly prepared in accordance with the Companies Act 1985.

*BDO Binder Hamlyn*

BDO BINDER HAMLYN

Chartered Accountants

Scottish Provident House  
52 Brown Street  
Manchester M2 2AU

1 October 1990

JOHN BUCKINGHAM (INSURANCE BROKERS) LIMITED

PROFIT AND LOSS ACCOUNT  
for the period 1 DECEMBER 1988 to 31 DECEMBER 1989

	<u>Note</u>	<u>13 months ended 31 December 1989</u>	<u>10 months ended 30 November 1988</u>
		£	£
TURNOVER		-	299,006
Administrative expenses		-	(270,254)
Other operating income		120,281	7,464
Exceptional items	2	(35,993)	(16,700)
		<hr/>	<hr/>
OPERATING PROFIT	2	84,288	19,516
Interest receivable	4	-	25,620
Interest payable	5	-	(697)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		84,288	44,439
Tax on profit on ordinary activities	6	1,395	(27,260)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL PERIOD		85,683	17,179
Dividends	7	(397,794)	-
RETAINED PROFIT BROUGHT FORWARD		305,217	288,038
Transfer from revaluation reserve	16	6,894	-
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		£- =====	£305,217 =====

JOHN BUCKINGHAM (INSURANCE BROKERS) LIMITED

BALANCE SHEET as at 31 DECEMBER 1989

	<u>Note</u>	<u>1989</u>	<u>30 November</u> <u>1988</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	-	208,172
Investments	9	132,250	152,250
		<hr/>	<hr/>
		132,250	360,422
<b>CURRENT ASSETS</b>			
Debtors	10	234,683	99,245
Investments	11	-	180,000
Cash at bank and in hand		-	90,262
		<hr/>	<hr/>
		234,683	369,507
		<hr/>	<hr/>
<b>CREDITORS: Amounts falling due within</b> <b>one year</b>	12	(365,933)	(410,590)
		<hr/>	<hr/>
<b>NET CURRENT LIABILITIES</b>		(131,250)	(41,083)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,000	319,339
		<hr/>	<hr/>
<b>CREDITORS: Amounts falling due after</b> <b>more than one year</b>	13	-	(4,833)
		<hr/>	<hr/>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	14	-	(1,395)
		<hr/>	<hr/>
		£1,000	£313,111
		=====	=====
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1,000	1,000
Revaluation reserve	16	-	6,894
Profit and loss account		-	305,217
		<hr/>	<hr/>
		£1,000	£313,111
		=====	=====

Approved by the board on 1 October 1990

B.K. SCOWCROFT )  
J. SCOWCROFT ) Directors

JOHN BUCKINGHAM (INSURANCE BROKERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the period 1 DECEMBER 1988 to 31 DECEMBER 1989

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared under the historical cost convention. Comparative figures are for the 10 months ended 30 November 1988.

Group financial statements have not been prepared since the company is itself a wholly owned subsidiary.

Turnover

Turnover represents net insurance commissions received during the period.

Depreciation

Depreciation is provided in order to write off the cost of the tangible fixed assets over their estimated useful lives. The annual rate used is as follows:

Furniture and equipment - 25% on reducing balance  
Motor vehicles - 25% on reducing balance

Operating lease rentals

Operating lease rentals are charged to the profit and loss account in the period in which they are incurred.

Goodwill

Purchased goodwill was fully written-off to the profit and loss account in the preceding period. Previously, such goodwill was capitalised at cost but was not amortised as the directors considered it to have an infinite useful life.

Deferred taxation

Deferred taxation is provided to the extent that, in the opinion of the directors, a liability is likely to arise in the foreseeable future.

2. OPERATING PROFIT

	<u>1989</u>	<u>1988</u>
	£	£
Operating profit is stated after charging:		
Depreciation	-	18,458
Directors' remuneration (see analysis below)	-	43,501
Consultancy fees payable to directors	-	33,331
Loss on disposal of tangible fixed assets	-	2,034
Exceptional items:		
Tangible fixed assets revaluation adjustment	32,118	-
Adjustments in respect of prior years	3,875	(15,003)
Deficit on revaluation of freehold property	-	31,703
Leasing charges and hire of equipment	-	1,795
	*****	*****

2. OPERATING PROFIT (continued)

	<u>1989</u>	<u>1988</u>
	£	£
and after crediting:		
Rents receivable	-	7,464
Group dividends receivable	120,281	-
	=====	=====

Directors' remuneration:

Management remuneration, including pension contributions	£-	£43,501
	=====	=====

The emoluments of the chairman and the highest paid director, excluding pension contributions, amounted to:

Chairman	£-	£4,755
	=====	=====

Highest paid director	£-	£18,503
	=====	=====

The emoluments of other directors fell within the following ranges:

	<u>Number</u>	<u>Number</u>
£0 - £5,000	3	3
£10,001 - £15,000	-	1
	=	=

3. STAFF COSTS

	<u>1989</u>	<u>1988</u>
	£	£
Wages and salaries	-	109,377
Social security costs	-	9,457
Other pension costs	-	5,300
	-----	-----

£-	£124,134
=====	=====

The average weekly number of employees during the period was as follows:

	<u>Number</u>	<u>Number</u>
Management	-	6
Operational	-	21
	-----	-----
	-	27
	===	==



4. INTEREST RECEIVABLE

	<u>1989</u>	<u>1988</u>
	£	£
Short term bank deposits	-	25,070
Other interest	-	550
	<hr/>	<hr/>
	£-	£25,620
	=====	=====

5. INTEREST PAYABLE

	<u>1989</u>	<u>1988</u>
	£	£
Bank interest	-	630
Other interest	-	67
	<hr/>	<hr/>
	£-	£697
	====	===

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	<u>1989</u>	<u>1988</u>
	£	£
The tax credit for the period represents:		
Corporation tax at 25% (1988 - 27%) on the		
(loss)/profit for the period	-	25,050
Adjustments in respect of previous years	-	815
Deferred taxation	(1,395)	1,395
	<hr/>	<hr/>
	£(1,395)	£27,260
	=====	=====

7. DIVIDEND

	<u>1989</u>	<u>1988</u>
	£	£
Interim dividend of £31.861 per £1 ordinary		
share, paid 22 December 1989	31,861	-
Proposed final dividend of £365.933 per £1		
ordinary share	365,933	-
	<hr/>	<hr/>
	£397,794	£-
	=====	=====

# 8. TANGIBLE FIXED ASSETS

	<u>Freehold property</u>	<u>Furniture and equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£
Cost or valuation				
At 1 December 1988	145,000	82,041	39,226	266,267
Transfer to a group company	(145,000)	-	(39,226)	(184,226)
Revaluation adjustment	-	(82,041)	-	(82,041)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1989	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 December 1988	-	49,923	8,172	58,095
Transfer to a group company	-	-	(8,172)	(8,172)
Revaluation adjustment	-	(49,923)	-	(49,923)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 1989	£-	£-	£-	£-
	=====	=====	=====	=====
At 30 November 1988	£145,000	£32,118	£31,054	£208,172
	=====	=====	=====	=====

# 9. FIXED ASSET INVESTMENTS

	<u>Listed investments</u>	<u>Shares in subsidiary companies</u>	<u>Total</u>
	£	£	£
At 1 December 1988	20,000	132,250	152,250
Transfer to a group company	(20,000)	-	(20,000)
	<hr/>	<hr/>	<hr/>
At 31 December 1989	£-	£132,250	£132,250
	=====	=====	=====

The market value of listed investments at 31 December 1989 was £Nil (1988 - £16,727).

The company owns the issued share capital of the following companies, all of which are wholly owned and incorporated in England and Wales:

John Buckingham (Sheffield) Limited  
Palmer Hill & Company (Insurance Brokers) Limited  
Palmer Hill & Company Limited

All of the above companies ceased to trade on 1 December 1988.

# 10. DEBTORS

	<u>1989</u>	<u>1988</u>
	£	£
Trade debtors	-	69,198
Amounts due from group companies	234,683	131
Directors' current accounts	-	3,845
Other debtors	-	16,965
Prepayments and accrued income	-	9,106
	<hr/>	<hr/>
	£234,683	£99,245
	=====	=====

# 11. CURRENT ASSET INVESTMENTS

Short term bank deposits	£-	£180,000
	=====	=====

# 12. CREDITORS: Amounts falling due within one year

	<u>1989</u>	<u>1988</u>
	£	£
Bank loan	-	2,000
Trade creditors	-	332,309
Directors' current accounts	-	5,430
Amounts due to group companies	-	23,961
Corporation tax	-	25,050
Other creditors including taxation and social security	-	3,827
Accruals and deferred income	-	18,013
Proposed dividend	365,933	-
	<hr/>	<hr/>
	£365,933	£410,590
	=====	=====

# 13. CREDITORS: Amounts falling due after more than one year

Bank loan	£-	£4,833
	=====	=====

# 14. DEFERRED TAXATION

	<u>1989</u>	<u>1988</u>
	£	£
The potential liability for deferred taxation, full provision for which has been made in these financial statements, is as follows:		
Accelerated capital allowances	-	570
Short term timing differences	-	825
	<hr/>	<hr/>
	£-	£1,395
	=====	=====

15. SHARE CAPITAL

1989                      1988

£                              £

Authorised, issued and fully paid  
1,000 Ordinary shares of £1 each

£1,000                      £1,000  
=====

16. REVALUATION RESERVE

£

At 1 December 1988  
Transfer to profit and loss account

6,894  
(6,894)

At 31 December 1989

£-  
=====

17. ULTIMATE HOLDING COMPANY

The ultimate holding company is Swinton (Holdings) Limited, a company  
incorporated in England and Wales.