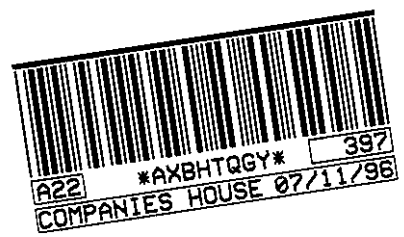


COMPANY NO. 1278058

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 1996



COMPANY NO. 1278058

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 1996

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PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**REPORT OF THE DIRECTORS**

The directors present their annual report and the audited accounts for the year ended 30th September, 1996.

ACTIVITIES

The principal activity of the company is that of Insurance Brokers and the company is registered with the Insurance Brokers Registration Council.

DIRECTORS AND THEIR INTERESTS

The directors in office at the date of this report, all of whom served throughout the period, are listed on page 1. The directors interests in the share capital of the company are listed below.

	Interest in 1p ordinary shares	
	<u>1996</u>	<u>1995</u>
N.M.Priestley A.C.I.I.	95000	95000
J.P.Astbury A.C.I.I.	-	-
N.R.Swift	-	-
B.R.McGlaulin	-	-

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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.

CLOSE COMPANY STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company has not made gifts of more than £200 in each category.

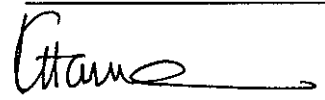
AUDITORS

The auditors, Edwards Veeder, have indicated their willingness to accept re-appointment under section 384(1) of the Companies Act 1985.

This report has been prepared taking advantage of the exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985.

REGISTERED OFFICE

32 Market Street
Altrincham
Cheshire
WA14 1PF

COMPANY SECRETARY


K.Harrison

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the financial statements on pages 3 to 7. Our audit was conducted in accordance with auditing standards.

Respective responsibilities of directors and auditors

As described on page 1 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 judgments 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th September, 1996 and its results for the year then ended and have been properly prepared in accordance with the requirements of the Companies Act 1985 applicable to small companies.



*Edwards Veeder
Chartered Accountants and
Registered Auditors
Bank House
266/8 Chapel Street
Salford
Manchester
M3 5JZ*

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30TH SEPTEMBER, 1996**

		<u>1996</u>	<u>1995</u>
	Note	£	£
TURNOVER	2	236,166	108,326
Administration Expenses		210,402	101,268
Other Operating Charges		<u>25,555</u>	<u>12,379</u>
		<u>235,957</u>	<u>113,647</u>
OPERATING PROFIT/(LOSS)	3	209	(5,321)
Other Income	5	<u>2,404</u>	<u>1,563</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES		2,613	(3,758)
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	<u>(1,947)</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		666	(3,758)
RETAINED PROFIT BROUGHT FORWARD		<u>12,783</u>	<u>16,541</u>
RETAINED PROFIT CARRIED FORWARD		<u>13,449</u>	<u>12,783</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

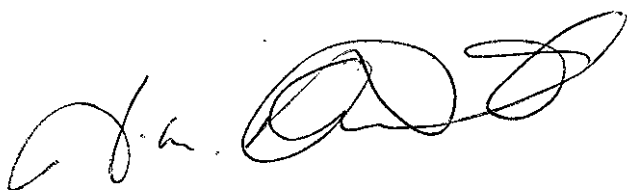
The notes on pages 5 to 7 form part of these financial statements.

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**BALANCE SHEET AT 30TH SEPTEMBER, 1996**

		<u>1996</u>	<u>1995</u>
	Note	£	£
FIXED ASSETS			
Tangible Assets	7	7,671	9,757
CURRENT ASSETS			
Debtors	8	182,339	212,547
Cash at bank and in hand		<u>126,323</u>	<u>85,899</u>
		308,662	298,446
CREDITORS			
Amounts falling due within one year	9	<u>301,884</u>	<u>294,420</u>
NET CURRENT ASSETS		<u>6,778</u>	<u>4,026</u>
NET ASSETS		<u>14,449</u>	<u>13,783</u>
CAPITAL & RESERVES			
Called up share capital	10	1,000	1,000
Reserves	11	<u>13,449</u>	<u>12,783</u>
		<u>14,449</u>	<u>13,783</u>

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

The notes on pages 5 to 7 form part of these financial statements.



PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH SEPTEMBER, 1996****1 ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year .

Basis of accounting

The accounts have been prepared in accordance with the historical cost convention.

Depreciation

Depreciation has been calculated on a reducing basis using the following rates:-

Office Equipment	25%
Furniture & Fittings	15%

These rates are calculated to write off the cost of the assets over their effective lives and are consistent with those used in previous accounting periods.

2 TURNOVER

Commission in respect of non-life business is accounted for when the insured is charged with the premium.

3 PROFIT OR LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging or (crediting) the following:

	<u>1996</u>	<u>1995</u>
	£	£
Depreciation of tangible fixed assets	2,086	1,176
Directors emoluments (see note 4)	85,320	42,323
Auditors' remuneration	<u>2,610</u>	<u>1,050</u>

4 DIRECTORS' REMUNERATION

	<u>1996</u>	<u>1995</u>
	£	£
Directors' Remuneration	<u>85,320</u>	<u>42,323</u>
Total Emoluments	<u>85,320</u>	<u>42,323</u>

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30TH SEPTEMBER, 1996****5 OTHER INCOME**

	<u>1996</u>	<u>1995</u>
	£	£
Bank Interest	<u>2,404</u>	<u>1,563</u>
	<u>2,404</u>	<u>1,563</u>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1996</u>	<u>1995</u>
	£	£
Corporation tax at 25%	<u>1,947</u>	<u>-</u>

7 TANGIBLE FIXED ASSETS

	<u>Office Equipment</u>	<u>Fixtures & Fittings</u>	<u>Total</u>
	£	£	£
<u>Cost</u>			
At 1 October 1995	<u>38,691</u>	<u>17,087</u>	<u>55,778</u>
At 30 September 1996	<u>38,691</u>	<u>17,087</u>	<u>55,778</u>
<u>Depreciation</u>			
At 1 October 1995	32,467	13,554	46,021
Charge for the year	<u>1,556</u>	<u>530</u>	<u>2,086</u>
At 30 September 1996	<u>34,023</u>	<u>14,084</u>	<u>48,107</u>
<u>Net Book Amount</u>			
At 30 September 1996	<u>4,668</u>	<u>3,003</u>	<u>7,671</u>
At 1 October 1995	<u>6,224</u>	<u>3,533</u>	<u>9,757</u>

8 DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
<u>Amounts Falling Due Within One Year</u>		
Trade debtors-Insurance Transactions	177,177	206,849
Prepayments and accrued income	<u>5,162</u>	<u>5,698</u>
	<u>182,339</u>	<u>212,547</u>

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30TH SEPTEMBER, 1996****9 CREDITORS: Amounts falling due within one year**

	<u>1996</u>	<u>1995</u>
	£	£
Trade creditors-Insurance Transactions	269,802	258,936
Corporation tax	1,950	2,610
Other taxation and social security	3,643	3,880
Directors' Loans	11,650	11,650
Accruals and deferred income	<u>14,839</u>	<u>17,344</u>
	<u>301,884</u>	<u>294,420</u>

10 SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£	£
Authorised:		
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid:		
Ordinary shares of £1 per share	<u>1,000</u>	<u>1,000</u>

11 RESERVES

	<u>1996</u>	<u>1995</u>
	£	£
Revenue Reserves brought forward	12,783	16,541
Profit Retained	<u>666</u>	<u>(3,758)</u>
	<u>13,449</u>	<u>12,783</u>

PRIESTLEY & PARTNERS (INSURANCE) BROKERS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER, 1996

	<u>1996</u>	<u>1995</u>
	£	£
TURNOVER	236,166	108,326
ADMINISTRATION COSTS		
Staff Salaries & Nic	49,518	23,548
Pension Scheme Contributions	17,316	8,700
Directors Remuneration	85,320	42,323
Printing, Stationery & Adverts	12,435	4,655
Telephone & Postages	10,501	4,715
Motor, Travel & Accommodation	16,169	9,040
Professional Subscriptions	3,470	1,298
Bad Debts	198	104
Computer Costs & Training	10,406	4,758
Sundry Expenses	2,459	1,077
Auditors Remuneration	<u>2,610</u>	<u>1,050</u>
	<u>210,402</u>	<u>101,268</u>
OTHER OPERATING CHARGES		
Rent Rates & Insurance	20,343	9,768
Professional Indemnity Ins	3,126	1,435
Depn-Office Equipment	1,556	889
Depn-Furniture & Fittings	<u>530</u>	<u>287</u>
	<u>25,555</u>	<u>12,379</u>
TOTAL EXPENSES	<u>235,957</u>	<u>113,647</u>
PROFIT/(LOSS) BEFORE OTHER INCOME	209	(5,321)
OTHER INCOME		
Bank Interest	<u>2,404</u>	<u>1,563</u>
TOTAL OTHER INCOME	<u>2,404</u>	<u>1,563</u>
NET PROFIT (LOSS) BEFORE TAXATION	<u>2,613</u>	<u>(3,758)</u>

Minutes of the Annual General Meeting for 1996

Held At: The Registered Office

Held On: 29th October 1996.

Present: Directors	N.M.Priestley
	J.P.Astbury
	N.R.Swift
	B.R.McGlaulin
Secretary	K.Harrison

The secretary read the notice convening the meeting.

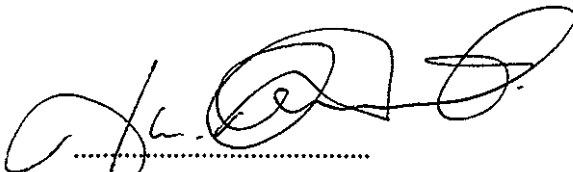
The secretary read the minutes of the last Annual General Meeting and these were approved unanimously.

The accounts for the year ended 30th September, 1996 together with Reports of the Directors and Auditors thereon were considered and approved.

IT WAS RESOLVED that

- a) The Directors and Auditors remuneration debited in the accounts for the year be and are hereby confirmed.
- b) The transfer to the company's General Reserve, recommended by the Directors be and is hereby approved.
- c) Messrs. Edwards Veeder continue in office as Auditors of the company under section 384 (1) of the Companies Act 1985 until the conclusion of the next Annual General Meeting at a fee to be determined by the Directors.

This concluded the meeting.



.....

CHAIRMAN