

*Statement of Accounts*

*Norr Chatis & Co.*

ACCOUNTANTS AND AUDITORS

6 WEST WAY GARDENS  
SHIRLEY, CROYDON, CRO 8RA

Telephone: 01-655 1133



DIRECTORS REPORT TO THE MEMBERS OFINTERMARK (INSURANCE BROKERS) LIMITED

The Directors submit their Annual Report and the Audited Accounts of the Company for the year ended 31st December 1986.

The principal activity of the Company remained that of Insurance Consultants. On 22nd December 1986 the whole of the called-up share capital of the Company was sold to Intermark Holdings Limited, resulting in the Company being a wholly-owned subsidiary of Intermark Holdings Limited.

The Company achieved a profit of £99,009 before taxation in the year ended 31st December 1986 (period 9.8.84 to 31.12.85 - £59,583 Profit).

The sales value of Export services rendered from the United Kingdom during the year was £255,212 (Period 9.8.84 to 31.12.85 £517693).

Directors and their shareholdings during the year under review were follows:-

	<u>ORDINARY £1 SHARES</u>	
	<u>1.1.86</u>	<u>31.12.86</u>
D. Simmons, Esq.,	1	-
L. Goldwyn, Esq.,	-	-

In accordance with the Companies Act 1985 a resolution proposing the re-appointment of S. Oratis, F.C.A. as Auditor of the Company will be put to the Annual General Meeting.

*We certify that this is a true copy of the Directors Report as presented to the Annual General Meeting.*

BY ORDER OF THE BOARD

*[Signature]*  
DIRECTOR

W.J. SHILLING  
.....  
Secretary  
W.J. Shilling.

*[Signature]*  
SECRETARY

10th April, 1987

AUDITORS REPORT TO THE MEMBERS OF

INTERMARK (INSURANCE BROKERS) LIMITED

I have audited the financial statements on pages 3 to 7 in accordance with approved auditing standards having regard to the matters referred to below.

In common with many businesses of similar size and organisation, the Company's system of control is dependent upon the close involvement of the Directors. Where independent confirmation of the completeness of the accounting records was therefore not available, I have accepted assurances from the Directors that all the Company's transactions have been reflected in the records.

Subject to the foregoing, in my opinion, the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the Company's affairs as at 31st December 1986, and of its profit and source and application of funds for the period ended on that date and comply with the Companies Act 1985.

S. ORATIS

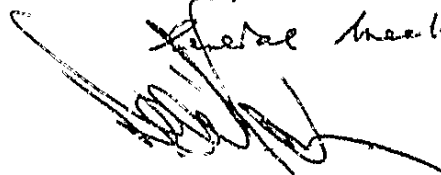
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S. Oratis,  
Chartered Accountant.

16th April 1987.

6 West Way Gardens,  
Shirley,  
CROYDON,  
Surrey.  
CRO GRA

We certify that this is a true  
copy of the Auditors Report  
as presented to the Annual  
General Meeting.



D. Orat

M. L. L. L.

SECRETARY

FIXED ASSETS

143716

Tangible Assets

6

177997

CURRENT ASSET.

28966

Work-In Progress

71423

542676

Trade Debtors

1251657

19139

Other Debtors &amp; Prepayments

9045

342000

Deposit Accounts

152000

-

Cash at Bank and in Hand

202090

932781

1686215

CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR

35050

Bank Overdraft

-

693979

Trade Creditors

1418057

79243

Other Creditors &amp; Accruals

102911

1279

Hire Purchase &amp; Other Loan Accounts

21508

74456

Directors Current Account

41650

28712

Corporation Tax

50000

912719

1634126

20062

NET CURRENT ASSETS

52089

163778

TOTAL ASSETS LESS CURRENT  
LIABILITIES

230086

CREDITORS: AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR

-

Hire Purchase &amp; Other Loan Accounts

16039

25000

Deferred Taxation

5

25000

25000

41039

£ 138778

£ 189047

CAPITAL AND RESERVE

2

CALLED UP SHARE CAPITAL

7

2

138776

PROFIT AND LOSS ACCOUNT

189045

£ 138778

£ 189047

D. SIMMONS

.....

D. Simmons, Esq.,

L. GOLDWYN

.....

L. Goldwyn, Esq.,

We certify that this is a true  
copy of the balance sheet of the Company  
as presented to the Annual General Meeting

Director

Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1986

<u>£</u>	<u>£</u>	<u>NOTE</u>	<u>£</u>	<u>£</u>
10.8.84	31.12.85			
				1067588
1044320	GROSS PROFIT			
	(1015673)	Administrative Expenses	(990676)	
	6674	Other Operating Income	4610	
	27846	Interest Receivable	22253	
( 981153)				( 963813)
63167	OPERATING PROFIT	2		103775
	( 1401)	Bank Interest and Charges	( 3251)	
	( 2183)	Hire Purchase Interest	( 1515)	
( 3584)				( 4766)
59583	PROFIT ON ORDINARY ACTIVITIES			99009
	Tax on Profit on Ordinary			
	Activities			( 50586)
( 22000)	PROFIT ON ORDINARY ACTIVITIES			48423
37583	AFTER TAXATION			
	Deferred Corporation Tax			
( 2167)	PROFIT FOR THE FINANCIAL YEAR			48423
35416				
98087	Balance Brought Forward		138776	
	Adjustment for Prior Year:			
	Overprovision for Corporation Tax		1846	
5273				140622
103360				
£ 138776	Balance Carried Forward			£ 189045

INTERMARK (INSURANCE BROKERS) LIMITED

NOTES TO THE ACCOUNTS - 31st DECEMBER 1986

1. ACCOUNTING POLICIES

(a) CONVENTION

These financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the Directors have adopted within that convention are set out below.

(b) TURNOVER

Turnover is the amount derived from the provision of services falling within the Company's ordinary activities after deduction of Value Added Tax.

(c) TANGIBLE FIXED ASSETS AND DEPRECIATION

For all tangible fixed assets, depreciation is calculated to write off their cost over the period of their estimated useful economic lives at the rate of 20% per annum on cost.

2. OPERATING PROFIT

Operating profit is arrived at after charging:-

	<u>1986</u>	<u>1985</u>
Depreciation	61815	56310
Hire of Equipment	6101	10285
Auditor's Remuneration	3000	3600
	<u>          </u>	<u>          </u>

3. EMPLOYEES

The average number employed by the Company within each category of persons was:

	<u>1986</u>	<u>1985</u>
Production Staff	2	2
Sales Staff	10	8
Administration Staff	10	9
	<u>22</u>	<u>19</u>

The costs incurred in respect of these employees were:-

	<u>£</u>	<u>£</u>
Salaries	463999	504394
Social Security Costs	56856	35394
	<u>£520855</u>	<u>£539788</u>

4. DIRECTORS

Emoluments of Directors included in staff costs were as follows:-

Management remuneration	<u>£106650</u>	<u>£141667</u>
Chairman	<u>£106650</u>	<u>£141667</u>
Highest paid Director	<u>£106650</u>	<u>£141667</u>

INTERMARK (INSURANCE BROKERS) LIMITEDNOTES TO THE ACCOUNTS - 31st DECEMBER 19865. PREFERRED TAXATION

Provision has been made at the Small Company's rate of 29% to account for future taxation liability arising as a result of the timing differences between assets being written off for taxation and for accounting purposes.

6 TANGIBLE ASSETS

<u>COST</u>	<u>Shelton Street</u>		<u>Flat</u>		<u>Motor Vehicles</u>	<u>Total</u>
	<u>Equipment</u>	<u>Fixtures &amp; Fittings</u>	<u>Equipment</u>	<u>Fixtures &amp; Fittings</u>		
At 1st January 1986	96793	95889	3622	19452	46158	261914
Additions	31497	14987	-	-	49612	96096
At 31st December 1986	128290	110876	3622	19452	95770	358010

DEPRECIATION

At 1st January 1986	53230	47594	1223	5382	10769	118198
Charge for the Year	21967	16080	724	3890	19154	61815
At 31st December 1986	75197	63674	1947	9272	29923	180013

NET BOOK VALUE

At 31st December 1986	£ 53093	£ 47202	£ 1675	£10180	£65847	£177997
At 31st December 1985	£ 43563	£ 48295	£ 2399	£14070	£35389	£143716

7. SHARE CAPITAL

<u>Authorised</u>	<u>1986</u>	<u>1985</u>
<u>100 ordinary Shares of £1 each</u>	<u>100</u>	<u>100</u>
<u>Allotted and Fully Paid</u>		
<u>2 Ordinary Shares of £1 each</u>	<u>2</u>	<u>2</u>

8. CURRENCY TRANSLATIONS

Foreign Currencies have been converted at the rates ruling at transaction dates for profit and loss account items and at the rates ruling at 31st December 1986 in respect of balance sheet items.

INTERMARK (INSURANCE BROKERS) LIMITEDSOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31st DECEMBER 1987

£	£		£	£
	<u>1985</u>	<u>SOURCE OF FUNDS</u>		
		Profit on Ordinary Activities before Taxation		99009
59583				
		<u>Items not involving the movement of Funds:</u>		
	56310	Depreciation	61815	
	( 925)	Profit on Sale of Fixed Assets	-	
				<u>61815</u>
<u>55385</u>				
114468		<u>FUNDS GENERATED FROM OPERATIONS</u>		160824
		<u>FUNDS FROM OTHER SOURCES</u>		
		Sale of Fixed Assets		<u>-</u>
<u>925</u>				160824
115893				
		<u>APPLICATION OF FUNDS</u>		
	( 96786)	Purchase of Fixed Assets	( 96097)	
	( 13016)	Corporation tax Paid	( 27451)	
				<u>( 123548)</u>
<u>(109802)</u>				
£ 6091		<u>INCREASE IN WORKING CAPITAL</u>		£ 37276
		<u>Representing/(Funded By)</u>		
		Increase/(Decrease) in Work-in Progress		42457
( 71260)		Increase in Debtors		698887
158757		Increase/(Decrease) in Cash & Bank Balances		237140
( 52904)		(Decrease)/Increase in Deposit Accounts		(190000)
249164		(Increase) in Creditors		(747746)
(257070)		(Increase)/Decrease in H.P. Accounts		( 36268)
9107		Decrease/(Increase) in Directors Account		<u>32806</u>
( 29703)				
<u>£ 6091</u>				<u>£ 37276</u>