

Company Number 1600910

B.I.B. (DARLINGTON) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 1995



B.I.B. (DARLINGTON) LIMITED

YEAR ENDED 31 OCTOBER 1995

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B.I.B. (DARLINGTON) LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 October 1995.

Business Review

The principal activity of the company is that of insurance broking.

The profit to be transferred to reserves is £24,950 (1994:loss £4,503) as set out in the profit and loss account on page 4.

There have been no significant changes in the activities during the year and no change is expected to occur in the business in the foreseeable future.

Dividend

The directors do not recommend the payment of a dividend for the year ended 31 October 1995.

Tax Status

The company is a close company within the meaning of S.414 of the Income and Corporation Taxes Act 1988 and complies with the provisions of the Act.

Fixed Assets

The changes in fixed assets are shown in Notes 7 and 8.

Directors


The directors who served during the year and their interests in the shares of the company were:-

	<u>Ordinary shares of £1 each</u>	
	<u>1995</u>	<u>1994</u>
C.D. Carter	3,000	3,000
M.P. Littleton	4,000	4,000
P. Atkinson	3,000	3,000

Auditors

In accordance with S.385 of the Companies Act 1985, a resolution for the reappointment of Clive Owen & Co as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board


.....
P. ATKINSON

B.I.B. (DARLINGTON) LIMITED

STATEMENT OF 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 results of the company for that year.

In preparing those financial statements the directors are required to:-

- select suitable accounting policies and apply them consistently;
- make judgements 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 to operate.

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.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

B.I.B. (DARLINGTON) LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

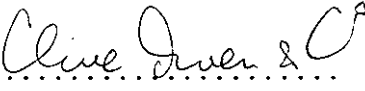
BASIS OF OPINION

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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 October 1995 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


CLIVE OWEN & CO
Registered Auditors
Chartered Accountants

1 Blackwell Lane
Darlington

13 February 1996

B.I.B. (DARLINGTON) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 OCTOBER 1995

		<u>1995</u>	<u>1994</u>
	<u>Note</u>	£	£
<u>TURNOVER</u>	2	642,566	696,477
Administrative expenses		(597,045)	(679,493)
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>	4	45,521	16,984
Profit/(loss) on sale of tangible fixed assets		1,429	(2,803)
Interest receivable		2,860	2,131
Interest payable	5	(25,199)	(21,173)
		<hr/>	<hr/>
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		24,611	(4,861)
Taxation	6	339	358
		<hr/>	<hr/>
<u>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</u>		24,950	(4,503)
<u>PROFIT AND LOSS ACCOUNT BROUGHT FORWARD</u>		13,144	17,647
		<hr/>	<hr/>
<u>PROFIT AND LOSS ACCOUNT CARRIED FORWARD</u>		£ 38,094	£ 13,144
		=====	=====

There have been no recognised gains or losses in 1995 or 1994 other than the profit/(loss) for the financial year.

The above results all relate to continuing activities.

The notes on pages 7 to 14 form part of these financial statements.

B.I.B. (DARLINGTON) LIMITED

BALANCE SHEET

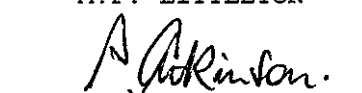
AS AT 31 OCTOBER 1995

		<u>1995</u>		<u>1994</u>	
	<u>Note</u>	£	£	£	£
<u>FIXED ASSETS</u>					
Tangible assets	7		148,831		160,541
Investments	8		630		630
			<hr/>		<hr/>
			149,461		161,171
<u>CURRENT ASSETS</u>					
Debtors	9	471,608		634,011	
Cash at bank		142,778		74,635	
		<hr/>		<hr/>	
		614,386		708,646	
<u>CREDITORS: Amounts falling</u>					
<u>due within one year</u>	10	(665,011)		(786,435)	
		<hr/>		<hr/>	
<u>NET CURRENT LIABILITIES</u>			(50,625)		(77,789)
			<hr/>		<hr/>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			98,836		83,382
<u>CREDITORS: Amounts falling</u>					
<u>due after more than one year</u>	11		(50,742)		(60,238)
			<hr/>		<hr/>
<u>NET ASSETS</u>			£ 48,094		£ 23,144
			=====		=====
<u>CAPITAL AND RESERVES</u>					
Called up share capital	12		10,000		10,000
Profit and loss account			38,094		13,144
			<hr/>		<hr/>
<u>SHAREHOLDERS' FUNDS</u>			£ 48,094		£ 23,144
			=====		=====

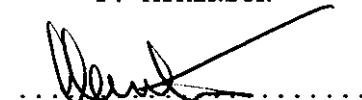
The notes on pages 7 to 14 form part of these financial statements.

The financial statements were approved by the Board on 13 February 1996.


.....
M.P. LITTLETON


.....
P. ATKINSON

DIRECTORS


.....
C.D. CARTER

B.I.B. (DARLINGTON) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 OCTOBER 1995

		<u>1995</u>		<u>1994</u>	
	<u>Note</u>	£	£	£	£
<u>NET CASH INFLOW FROM OPERATING ACTIVITIES</u>	16		224,944		60,155
<u>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</u>					
Interest received		2,860		2,131	
Interest paid		(25,199)		(21,173)	
<u>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>			(22,339)		(19,042)
<u>TAXATION</u>					
Corporation tax repaid/(paid)			358		(697)
<u>INVESTING ACTIVITIES</u>					
Purchase of tangible fixed assets		(2,868)		(2,144)	
Purchase of investments		-		(630)	
Proceeds of sale of tangible fixed assets		19,315		4,354	
<u>NET CASH INFLOW FROM INVESTING ACTIVITIES</u>			16,447		1,580
<u>NET CASH INFLOW BEFORE FINANCING</u>			219,410		41,996
<u>FINANCING</u>					
Repayment of hire purchase and finance lease obligations	19	(72,280)		(53,755)	
<u>NET CASH OUTFLOW FROM FINANCING</u>			(72,280)		(53,755)
<u>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</u>	17		£147,130		£(11,759)
			=====		=====

The notes on pages 7 to 14 form part of these financial statements.

B.I.B. (DARLINGTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention and applicable Accounting Standards.

(b) Tangible Fixed Assets

Depreciation is calculated so as to write off the cost of the tangible fixed assets by equal instalments over their estimated useful lives as follows:-

Motor vehicles	25%
Office furniture and equipment	10%-33%

Assets held under hire purchase and finance lease contracts are capitalised in accordance with Statement of Standard Accounting Practice No.21.

Hire purchase and finance lease interest is included in the financial statements on the basis of the inherent rate of interest in the hire purchase or finance lease agreement.

(c) Investments

Investments are stated at cost less any provision for permanent diminution in value.

(d) Deferred Taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

(e) Pension Costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. TURNOVER

Turnover represents commissions receivable in respect of policies incepted during the year.

The analyses of turnover by activity and geographical area are as follows:-

	<u>1995</u>	<u>1994</u>
Commissions	£642,566	£696,477
	=====	=====
United Kingdom	£642,566	£696,477
	=====	=====

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the year was as follows:-

	<u>1995</u>	<u>1994</u>
Management	3	3
Administration and sales	18	18
	<hr/>	<hr/>
	21	21
	====	====

The aggregate payroll costs of these persons were as follows:-

	<u>1995</u>	<u>1994</u>
	£	£
Wages and salaries	223,748	230,580
Social security costs	18,436	17,655
Other pension costs	16,310	15,870
	<hr/>	<hr/>
	£258,494	£264,105
	=====	=====

4. OPERATING PROFIT

Operating profit is stated after charging the following:-

	<u>1995</u>	<u>1994</u>
	£	£
Directors' remuneration	24,450	47,206
Depreciation - owned assets	10,136	10,465
- hire purchase assets	28,174	24,857
- leased assets	13,686	12,414
Audit fee	3,525	3,525
Operating lease rentals	4,386	9,627
	=====	=====

5. INTEREST PAYABLE

	<u>1995</u>	<u>1994</u>
	£	£
On bank overdraft	6,415	3,674
On hire purchase obligations	8,848	7,086
On finance lease obligations	9,936	10,413
	<hr/>	<hr/>
	£25,199	£21,173
	=====	=====

6. TAXATION

Taxation based on the profit/(loss) for the year:-

	<u>1995</u>	<u>1994</u>
	£	£
Corporation tax at 25%	-	(358)
Prior year underprovision	(339)	-
	<hr/>	<hr/>
	£ (339)	£ (358)
	=====	=====

7. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>	<u>Office Furniture and Equipment</u>	<u>Total</u>
	£	£	£
<u>COST</u>			
At 1 November 1994	126,195	134,232	260,427
Additions	42,130	16,042	58,172
Disposals	(41,343)	-	(41,343)
	<hr/>	<hr/>	<hr/>
At 31 October 1995	126,982	150,274	277,256
	<hr/>	<hr/>	<hr/>
<u>DEPRECIATION</u>			
At 1 November 1994	44,968	54,918	99,886
Charge in year	31,257	20,739	51,996
Disposals	(23,457)	-	(23,457)
	<hr/>	<hr/>	<hr/>
At 31 October 1995	52,768	75,657	128,425
	<hr/>	<hr/>	<hr/>
<u>NET BOOK VALUE</u>			
At 31 October 1995	£ 74,214	74,617	148,831
	=====	=====	=====
At 31 October 1994	£ 81,227	79,314	160,541
	=====	=====	=====

The net book value of assets held under hire purchase and finance lease agreements at 31 October 1995 was £131,911 (1994:£139,153).

8. FIXED ASSET INVESTMENTS

	Other Unlisted <u>Investment</u>
At 1 November 1994 and 31 October 1995	£ 630 =====

9. DEBTORS

Amounts falling due within one year:-

	<u>1995</u>	<u>1994</u>
	£	£
Trade debtors	342,802	342,063
Other debtors	639	2,586
Due from related undertakings	73,824	242,815
Prepayments and accrued income	36,758	46,547
Directors' current account	17,585	-
	<hr/>	<hr/>
	£471,608	£634,011
	=====	=====

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u>	<u>1994</u>
	£	£
Bank overdraft (secured)	46,933	125,920
Trade creditors - insurance	478,269	401,983
Trade creditors - others	14,026	20,371
Taxation and social security	10,288	10,352
Hire purchase obligations	38,021	40,806
Finance lease obligations	17,174	21,869
Accruals and deferred income	12,181	18,092
Directors' current account	48,119	147,042
	<hr/>	<hr/>
	£665,011	£786,435
	=====	=====

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1995</u>	<u>1994</u>
	£	£
Hire purchase obligations	41,347	39,283
Finance lease obligations	9,395	20,955
	<hr/>	<hr/>
	£50,742	£60,238
	=====	=====

The analysis of the maturity of debt is as follows:-

	<u>1995</u>	<u>1994</u>
	£	£
Within one to two years	35,846	32,966
Within two to five years	14,896	27,272
	<hr/>	<hr/>
	£50,742	£60,238
	=====	=====

12. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	£	£
<u>Authorised</u>		
21,000 Ordinary shares of £1 each	21,000	21,000
	=====	=====
<u>Allotted, Called Up and Fully Paid</u>		
10,000 Ordinary shares of £1 each	10,000	10,000
	=====	=====

13. MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
Profit/(loss) for the financial year	24,950	(4,503)
Opening shareholders' funds	23,144	27,647
	<hr/>	<hr/>
Closing shareholders' funds	£48,094	£23,144
	=====	=====

14. COMMITMENTS

Capital commitments at 31 October 1995 were as follows:-

	<u>1995</u>	<u>1994</u>
Contracted	£Nil	£Nil
Authorised but not contracted	£Nil	£Nil

15. CONTINGENT LIABILITIES

There were no contingent liabilities (1994:£Nil).

16. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1995</u>	<u>1994</u>
	£	£
Operating profit	45,521	16,984
Depreciation	51,996	47,736
Decrease in debtors	162,384	123,781
Decrease in creditors	(34,957)	(128,346)
	<hr/>	<hr/>
<u>NET INFLOW FROM</u>		
<u>OPERATING ACTIVITIES</u>	£224,944	£ 60,155
	=====	=====

17. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	<u>1995</u>	<u>1994</u>
	£	£
At 1 November 1994	(51,285)	(39,526)
Net cash inflow/(outflow)	147,130	(11,759)
	<hr/>	<hr/>
At 31 October 1995	£ 95,845	£ (51,285)
	=====	=====

18. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1995</u>	<u>1994</u>	<u>Change in</u> <u>Year</u>
	£	£	£
Bank overdraft	(46,933)	(125,920)	78,987
Cash at bank	142,778	74,635	68,143
	<u> </u>	<u> </u>	<u> </u>
	£ 95,845	£ (51,285)	£147,130
	=====	=====	=====
	<u>1994</u>	<u>1993</u>	<u>Change in</u> <u>Year</u>
	£	£	£
Bank overdraft	(125,920)	(113,160)	(12,760)
Cash at bank	74,635	73,634	1,001
	<u> </u>	<u> </u>	<u> </u>
	£ (51,285)	£ (39,526)	£ (11,759)
	=====	=====	=====

19. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	<u>1995</u>		<u>1994</u>	
		Hire Purchase and Finance Lease Obligations and Other Loans		Hire Purchase and Finance Lease Obligations and Other Loans
	<u>Share Capital</u>		<u>Share Capital</u>	
	£	£	£	£
At 1 November 1994	10,000	122,913	10,000	80,950
Cash outflow from financing	-	(72,280)	-	(53,755)
Inception of hire purchase contracts and finance leases	-	55,304	-	95,718
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 October 1995	£10,000	£105,937	£10,000	£122,913
	=====	=====	=====	=====

20. TRANSACTIONS WITH DIRECTORS

During the year the company made unsecured, interest free loans to a director, the details of which are as follows:-

	P. <u>Atkinson</u>
Balance at 1 November 1994	£ - =====
Balance at 31 October 1995	£17,585 =====
Maximum balance outstanding in year	£17,585 =====

The company also rented a property owned by the three directors at a rent of £54,000. The rent was calculated on an open market basis.