

28 APR 2001

**Report of the Directors and
Financial Statements
for the Year Ended 31 October 2000
for
BIB (Darlington) Limited**

1600910



BIB (Darlington) Limited

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for the Year Ended 31 October 2000**

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BIB (Darlington) Limited
Company Information
for the Year Ended 31 October 2000

DIRECTORS: M P Littleton
C D Carter
P Atkinson
B Jackson
A S Keep

SECRETARY: P Atkinson

REGISTERED OFFICE: 154 Northgate
Darlington
Co. Durham
DL1 1QU

REGISTERED NUMBER: 1600910 (England and Wales)

AUDITORS: Clive Owen & Co
Chartered Accountants
Registered Auditors
140 Coniscliffe Road
Darlington
Co. Durham
DL3 7RT

BIB (Darlington) Limited

Report of the Directors for the Year Ended 31 October 2000

The directors present their report with the financial statements of the company for the year ended 31 October 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of insurance broking and independent financial advisor.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 October 2000.

DIRECTORS

The directors during the year under review were:

M P Littleton
C D Carter
P Atkinson
B Jackson
A S Keep

The beneficial interests of the directors holding office on 31 October 2000 in the issued share capital of the company were as follows:

	31.10.00	1.11.99
Ordinary £1 shares		
M P Littleton	4,000	4,000
C D Carter	3,000	3,000
P Atkinson	3,000	3,000
B Jackson	-	-
A S Keep	-	-

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 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 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 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.

BIB (Darlington) Limited

**Report of the Directors
for the Year Ended 31 October 2000**

AUDITORS

The auditors, Clive Owen & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'P. Atkinson', with a stylized flourish at the end.

P Atkinson - DIRECTOR

Dated: 26 February 2001

BIB (Darlington) Limited

**Report of the Auditors to the Shareholders of
BIB (Darlington) Limited**

We have audited the financial statements on pages five to sixteen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

Respective responsibilities of directors and auditors

As described on page two 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 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 as at 31 October 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Clive Owen & Co
Chartered Accountants
Registered Auditors
140 Coniscliffe Road
Darlington
Co. Durham
DL3 7RT

Dated: 26 February 2001

BIB (Darlington) Limited**Profit and Loss Account
for the Year Ended 31 October 2000**

		<u>2000</u>	<u>1999</u>
	Notes	£	£
TURNOVER		1,202,258	1,206,138
Administrative expenses		<u>1,184,187</u>	<u>1,181,524</u>
OPERATING PROFIT	3	18,071	24,614
Interest receivable and similar income		<u>13,691</u>	<u>19,344</u>
		31,762	43,958
Interest payable and similar charges	4	<u>94</u>	<u>2,096</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		31,668	41,862
Tax on profit on ordinary activities	5	<u>5,640</u>	<u>13,243</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		26,028	28,619
Retained profit brought forward		<u>137,585</u>	<u>108,966</u>
RETAINED PROFIT CARRIED FORWARD		<u>£163,613</u>	<u>£137,585</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

BIB (Darlington) Limited

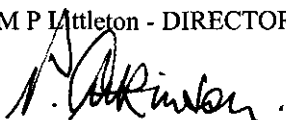
**Balance Sheet
31 October 2000**

		<u>2000</u>		<u>1999</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	6		-		2,228
Tangible assets	7		22,113		48,103
Investments	8		<u>1,308</u>		<u>1,308</u>
			23,421		51,639
CURRENT ASSETS:					
Debtors	9	817,593		511,050	
Cash at bank and in hand		<u>336,090</u>		<u>412,571</u>	
		1,153,683		923,621	
CREDITORS: Amounts falling due within one year	10	<u>923,491</u>		<u>797,675</u>	
NET CURRENT ASSETS:			<u>230,192</u>		<u>125,946</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			253,613		177,585
PROVISIONS FOR LIABILITIES AND CHARGES:	11		<u>80,000</u>		<u>30,000</u>
			<u>£173,613</u>		<u>£147,585</u>
CAPITAL AND RESERVES:					
Called up share capital	12		10,000		10,000
Profit and loss account			<u>163,613</u>		<u>137,585</u>
SHAREHOLDERS' FUNDS:	15		<u>£173,613</u>		<u>£147,585</u>

ON BEHALF OF THE BOARD:



M P Littleton - DIRECTOR



P Atkinson - DIRECTOR

Approved by the Board on 26 February 2001

The notes form part of these financial statements

BIB (Darlington) Limited

**Cash Flow Statement
for the Year Ended 31 October 2000**

		<u>2000</u>		<u>1999</u>	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(84,839)		166,480
Returns on investments and servicing of finance	2		13,597		17,248
Taxation			(12,678)		(22,766)
Capital expenditure	2		<u>13,500</u>		<u>(2,100)</u>
			(70,420)		158,862
Financing	2		<u>(6,061)</u>		<u>(27,440)</u>
(Decrease)/Increase in cash in the period			<u>£(76,481)</u>		<u>£131,422</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(76,481)		131,422	
Cash outflow from decrease in debt and lease financing		<u>6,061</u>		<u>27,440</u>	
Change in net funds resulting from cash flows			<u>(70,420)</u>		<u>158,862</u>
Movement in net funds in the period			(70,420)		158,862
Net funds at 1 November			<u>406,510</u>		<u>247,648</u>
Net funds at 31 October			<u>£336,090</u>		<u>£406,510</u>

The notes form part of these financial statements

BIB (Darlington) Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 October 2000**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	18,071	24,614
Depreciation charges	17,008	45,057
Profit on sale of fixed assets	(2,290)	(5,277)
Increase in provisions	30,000	30,000
Increase in debtors	(306,543)	(73,793)
Increase in creditors	<u>158,915</u>	<u>145,879</u>
Net cash (outflow)/inflow from operating activities	<u>(84,839)</u>	<u>166,480</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	13,691	19,344
Interest element of hire purchase or finance lease rentals payments	<u>(94)</u>	<u>(2,096)</u>
Net cash inflow for returns on investments and servicing of finance	<u>13,597</u>	<u>17,248</u>
Capital expenditure		
Purchase of tangible fixed assets	-	(10,323)
Sale of tangible fixed assets	<u>13,500</u>	<u>8,223</u>
Net cash inflow/(outflow) for capital expenditure	<u>13,500</u>	<u>(2,100)</u>
Financing		
Loan repayments in year	<u>(6,061)</u>	<u>(27,440)</u>
Net cash outflow from financing	<u>(6,061)</u>	<u>(27,440)</u>

The notes form part of these financial statements

BIB (Darlington) Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 October 2000**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.11.99 £	Cash flow £	At 31.10.00 £
Net cash:			
Cash at bank and in hand	<u>412,571</u>	<u>(76,481)</u>	<u>336,090</u>
	<u>412,571</u>	<u>(76,481)</u>	<u>336,090</u>
Debt:			
Hire purchase			
or finance leases	<u>(6,061)</u>	<u>6,061</u>	<u>-</u>
	<u>(6,061)</u>	<u>6,061</u>	<u>-</u>
Total	<u>406,510</u>	<u>(70,420)</u>	<u>336,090</u>
Analysed in Balance Sheet			
Cash at bank and in hand	412,571		336,090
Hire purchase			
or finance leases			
within one year	<u>(6,061)</u>		<u>-</u>
	<u>406,510</u>		<u>336,090</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 October 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents commissions receivable in respect of policies incepted during the year. Provisions are made for clawback of commissions earned on an indemnity basis.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1997, is being written off evenly over its estimated useful life of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment	- 10% - 33% on cost
Motor vehicles	- 25% on cost

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Investments

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

2. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	649,172	636,441
Other pension costs	<u>48,184</u>	<u>33,089</u>
	<u>697,356</u>	<u>669,530</u>

BIB (Darlington) Limited

**Notes to the Financial Statements
for the Year Ended 31 October 2000**

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2000	1999
Management	5	5
Administration	<u>44</u>	<u>42</u>
	<u>49</u>	<u>47</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2000 £	1999 £
Other operating leases	72,752	72,568
Depreciation - owned assets	14,780	4,342
Depreciation - assets on hire purchase contracts or finance leases	-	32,491
Profit on disposal of fixed assets	(2,290)	(5,277)
Goodwill written off	2,228	8,224
Auditors' remuneration	<u>4,113</u>	<u>3,525</u>
Directors' emoluments	109,666	138,048
Directors' pension contributions to money purchase schemes	<u>12,802</u>	<u>12,802</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>5</u>	<u>5</u>
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4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Hire purchase interest	94	1,884
Finance lease interest	<u>-</u>	<u>212</u>
	<u>94</u>	<u>2,096</u>

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2000 £	1999 £
UK corporation tax	5,640	12,473
Prior year overprovision	<u>-</u>	<u>770</u>
	<u>5,640</u>	<u>13,243</u>

UK corporation tax has been charged at 20% (1999 - 20.42%).

BIB (Darlington) Limited

**Notes to the Financial Statements
for the Year Ended 31 October 2000**

6. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>
	£
COST:	
At 1 November 1999	
and 31 October 2000	<u>24,672</u>
AMORTISATION:	
At 1 November 1999	22,444
Charge for year	<u>2,228</u>
At 31 October 2000	<u>24,672</u>
NET BOOK VALUE:	
At 31 October 2000	<u><u>-</u></u>
At 31 October 1999	<u><u>2,228</u></u>

7. TANGIBLE FIXED ASSETS

	<u>Office equipment</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£
COST:			
At 1 November 1999	181,457	67,987	249,444
Disposals	<u>-</u>	<u>(67,987)</u>	<u>(67,987)</u>
At 31 October 2000	<u>181,457</u>	<u>-</u>	<u>181,457</u>
DEPRECIATION:			
At 1 November 1999	152,826	48,515	201,341
Charge for year	6,518	8,262	14,780
Eliminated on disposals	<u>-</u>	<u>(56,777)</u>	<u>(56,777)</u>
At 31 October 2000	<u>159,344</u>	<u>-</u>	<u>159,344</u>
NET BOOK VALUE:			
At 31 October 2000	<u><u>22,113</u></u>	<u><u>-</u></u>	<u><u>22,113</u></u>
At 31 October 1999	<u><u>28,631</u></u>	<u><u>19,472</u></u>	<u><u>48,103</u></u>

BIB (Darlington) Limited

**Notes to the Financial Statements
for the Year Ended 31 October 2000**

7. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	<u>Office equipment</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£
COST:			
At 1 November 1999	46,500	69,137	115,637
Transferred to ownership	<u>(46,500)</u>	<u>(69,137)</u>	<u>(115,637)</u>
At 31 October 2000	<u>-</u>	<u>-</u>	<u>-</u>
DEPRECIATION:			
At 1 November 1999	42,679	35,457	78,136
Transferred to ownership	<u>(42,679)</u>	<u>(35,457)</u>	<u>(78,136)</u>
At 31 October 2000	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE:			
At 31 October 2000	<u>-</u>	<u>-</u>	<u>-</u>
At 31 October 1999	<u>3,821</u>	<u>33,680</u>	<u>37,501</u>

8. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 November 1999 and 31 October 2000	<u>1,308</u>
NET BOOK VALUE:	
At 31 October 2000	<u>1,308</u>
At 31 October 1999	<u>1,308</u>
	2000
	£
Unlisted investments	<u>1,308</u>
	1999
	£
	<u>1,308</u>

BIB (Darlington) Limited

**Notes to the Financial Statements
for the Year Ended 31 October 2000**

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Trade debtors	568,480	473,087
Other debtors	750	3,075
Prepayments & accrued income	10,801	24,303
Directors' loan account	2,000	-
Due from related undertakings	<u>235,562</u>	<u>10,585</u>
	<u>817,593</u>	<u>511,050</u>

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Trade creditors - insurance	841,575	702,931
Trade creditors - others	12,709	17,594
Hire purchase obligations	-	6,061
Taxation and social security	27,621	25,468
Corporation tax	5,640	12,678
Accruals & deferred income	<u>35,946</u>	<u>32,943</u>
	<u>923,491</u>	<u>797,675</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2000 £	1999 £
Compensation provision	<u>80,000</u>	<u>30,000</u>
		Other Provision £
Balance at 1 November 1999		30,000
Transfer from profit and loss account		<u>50,000</u>
Balance at 31 October 2000		<u>80,000</u>

The provision represents an amount provided in respect of potential claims arising from a review of pension transactions as required by the Financial Services Authority.

BIB (Darlington) Limited

Notes to the Financial Statements for the Year Ended 31 October 2000

12. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2000 £	1999 £
21,000	Ordinary	£1	<u>21,000</u>	<u>21,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2000 £	1999 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

13. CAPITAL COMMITMENTS

	2000 £	1999 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

Annual commitments under non-cancellable operating leases in respect of motor vehicles and office equipment are as follows:-

	2000	1999
Expiry date		
Within one year	£6,554	£34,356
Within one to two years	£29,547	£14,283
Within two to five years	<u>£48,403</u>	<u>-</u>

14. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year:

	2000 £	1999 £
B Jackson		
Balance outstanding at start of year	-	-
Balance outstanding at end of year	2,000	-
Maximum balance outstanding during year	<u>2,000</u>	<u>-</u>

15. RELATED PARTY DISCLOSURES

The company trades on a regular basis with BIB Underwriters Limited on an insurance broker/underwriter relationship, at arm's length. The balance due to BIB Underwriters Limited, included in insurance creditors, at 31 October 2000 was £113,435. The company also rents part of the premises owned by BIB Underwriters Limited, the rental charge in the year being £27,000. There was also a loan outstanding from this company at 31 October 2000 of £235,562. BIB Underwriters Limited is controlled by the shareholders of BIB (Darlington) Limited.

BIB (Darlington) Limited

**Notes to the Financial Statements
for the Year Ended 31 October 2000**

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the financial year	<u>26,028</u>	<u>28,619</u>
Net addition to shareholders' funds	26,028	28,619
Opening shareholders' funds	<u>147,585</u>	<u>118,966</u>
Closing shareholders' funds	<u>173,613</u>	<u>147,585</u>
Equity interests	<u>173,613</u>	<u>147,585</u>