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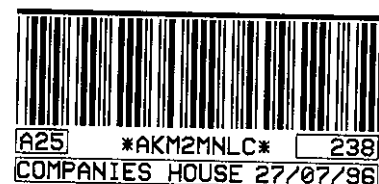
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Company No 1629528

BRETT & RANDALL COMMERCIAL INSURANCE  
BROKERS LIMITED

Annual Report

Year ended 31 May 1996



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PANNELL  
KERR  
FORSTER

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CHARTERED ACCOUNTANTS

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BRETT & RANDALL COMMERCIAL INSURANCE BROKERS LIMITED  
ANNUAL REPORT  
YEAR ENDED 31 MAY 1996

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DIRECTORS' REPORT

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The directors present their annual report together with the audited financial statements for the year ended 31 May 1996.

## 1 PRINCIPAL ACTIVITY

The principal activity of the company is insurance brokerage.

## 2 DIRECTORS

The directors throughout the year and their interests, including family interests, in the shares of the company at the beginning and end of the year were as follows:

	Ordinary shares of £1 each	
	At 31 May 1996	At 31 May 1995
S. C. Randall	4,350	4,000
A. G. Mistry	3,350	3,000
K. J. Richards	-	-
C. A. Hutchins	-	-

## 3 DONATIONS


During the year the company made charitable donations amounting to £1,773.

## 4 AUDITORS

A resolution to re-appoint the auditors, Pannell Kerr Forster, Chartered Accountants, will be proposed at the Annual General Meeting.

We have taken advantage in the preparation of the Directors' Report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the board



S. C. RANDALL

Secretary

22 July 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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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 for 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.

BRETT & RANDALL COMMERCIAL INSURANCE BROKERS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

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We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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. 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 affairs of the company as at 31 May 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

*Pannell Kerr Forster*

PANNELL KERR FORSTER

Chartered Accountants

Registered Auditors

Leicester

22 July 1996

BRETT & RANDALL COMMERCIAL INSURANCE BROKERS LIMITED  
 PROFIT AND LOSS ACCOUNT  
 YEAR ENDED 31 MAY 1996

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	Note	£	1996	£	£	1995	£
BROKERAGE AND COMMISSION	1		1,122,931			1,001,926	
OTHER OPERATING INCOME			9,890			16,852	
			1,132,821			1,018,778	
ADMINISTRATIVE EXPENSES			1,013,051			998,305	
OPERATING PROFIT			119,770			20,473	
Interest receivable		(12,258)			(8,644)		
Interest payable and similar charges		15,809	3,551		19,095	10,451	
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2		116,219			10,022	
TAX ON PROFIT ON ORDINARY ACTIVITIES			31,430			9,554	
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			84,789			468	
DIVIDENDS			56,000			-	
RETAINED PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS			28,789			468	

Movements on reserves are shown in note 8.

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the profit for the year.

HISTORICAL COST PROFIT STATEMENT

	£	£
Profit on ordinary activities before taxation	116,219	10,022
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	710	710
Historical cost profit on ordinary activities before taxation	116,929	10,732
Historical cost profit for the year retained after taxation	29,499	1,178

## BALANCE SHEET

31 MAY 1996

	Note	£	1996	£	£	1995	£
FIXED ASSETS							
Tangible assets	3			387,231			390,884
CURRENT ASSETS							
Debtors	4	19,912			7,222		
Cash at bank and in hand		203,962			971,101		
			223,874			978,323	
CREDITORS - Amounts falling due within one year	5	308,129			1,085,344		
NET CURRENT LIABILITIES				(84,255)			(107,021)
TOTAL ASSETS LESS CURRENT LIABILITIES				302,976			283,863
CREDITORS - Amounts falling due after more than one year	5	141,695			147,017		
PROVISION FOR LIABILITIES AND CHARGES							
Deferred taxation	6	6,487		148,182	10,841		157,858
NET ASSETS				154,794			126,005
CAPITAL AND RESERVES							
Called up share capital	7			10,000			10,000
Revaluation reserve	8			35,508			35,508
Profit & loss account	8			109,286			80,497
EQUITY SHAREHOLDERS' FUNDS	9			154,794			126,005

We have taken advantage in the preparation of the financial statements of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

Approved by the Board on 22 July 1996

S. C. RANDALL

Director

## 1 ACCOUNTING POLICIES

These financial statements are prepared under the historical cost convention as modified by the revaluation of land and buildings.

The principal accounting policies adopted in their preparation are as follows:

### 1.1 Brokerage and commission

Brokerage and commission is the amount received by the company in the ordinary course of business for services provided during the year.

### 1.2 Tangible fixed assets and depreciation

Tangible fixed assets are depreciated over their estimated useful lives as follows:

Freehold buildings	- 50 years
Motor vehicles	- 25% per annum reducing balance
Office furniture and equipment	- 15% per annum reducing balance
Computer equipment	- 33 1/3% per annum reducing balance

### 1.3 Deferred taxation

Provision is only made for deferred taxation to the extent that it is probable that a liability will crystallise in the foreseeable future.

### 1.4 Hire purchase and operating lease agreements

Tangible fixed assets which are the subject of hire purchase agreements are capitalised on the basis of actual cost. Instalments payable under each agreement are apportioned between capital and revenue to write off the finance charge in equal amounts over the period of the agreement.

Rentals under operating lease agreements are charged to revenue as they fall due.

## 2 RESULTS

The profit on ordinary activities before taxation is stated after charging:

	<u>1996</u> £	<u>1995</u> £
Directors' remuneration (as executives)	209,456	186,970
Auditors' remuneration	3,000	2,500
Depreciation	64,035	31,820
Operating lease rentals- land and buildings	12,000	16,783
- other	11,081	6,242
Loss on disposal of tangible fixed assets	3,028	8,990

3 TANGIBLE FIXED ASSETS

Cost or valuation	Freehold land and buildings £	Motor vehicles £	Office furniture and equipment £	Computer equipment £	Total £
At 31 May 1995	214,017	125,283	100,758	71,294	511,352
Additions	-	53,737	10,463	12,460	76,660
Disposals	-	(29,442)	-	(2,350)	(31,792)
At 31 May 1996	<u>214,017</u>	<u>149,578</u>	<u>111,221</u>	<u>81,404</u>	<u>556,220</u>
Depreciation					
At 31 May 1995	25,280	34,043	52,684	8,461	120,468
Charge for the year	4,280	26,803	8,015	24,937	64,035
Eliminated on disposals	-	(13,947)	-	(1,567)	(15,514)
At 31 May 1996	<u>29,560</u>	<u>46,899</u>	<u>60,699</u>	<u>31,831</u>	<u>168,989</u>
Net book amount					
At 31 May 1995	<u>188,737</u>	<u>91,240</u>	<u>48,074</u>	<u>62,833</u>	<u>390,884</u>
At 31 May 1996	<u>184,457</u>	<u>102,679</u>	<u>50,522</u>	<u>49,573</u>	<u>387,231</u>

The freehold land and buildings were revalued in March 1989 on an open market value basis.

On a historical cost basis the freehold land and buildings would have been included at a cost of £178,509 (1995 £178,509) and net book amount of £153,920 (1995 £158,939).

The net book amount of motor vehicles included above which are the subject of hire purchase agreements is £91,912 (1995 £79,955) and the depreciation charge for the year thereon amounted to £23,464 (1995 £8,544).

4 DEBTORS

	1996 £	1995 £
All due within one year.		
Other debtors	<u>15,577</u>	<u>7,222</u>

5 CREDITORS

	<u>1996</u> £	<u>1995</u> £
Amounts falling due within one year:		
Bank loans (secured)	13,876	17,866
Insurance creditors	203,330	992,367
Corporation tax	28,898	7,119
Hire purchase instalments (secured)	22,644	17,785
Other creditors	39,381	50,207
	<u>308,129</u>	<u>1,085,344</u>

Amounts falling due after more than one year:

Bank loans (secured)	90,879	101,941
Hire purchase instalments (secured)	50,816	45,076
	<u>141,695</u>	<u>147,017</u>

The bank loans are repayable as follows:

Due within one year	13,876	17,866
Due between one and two years	13,876	17,866
Due between two and five years	38,128	34,139
Due after five years	38,875	49,936
	<u>104,755</u>	<u>119,807</u>

The hire purchase instalments are repayable as follows:

Due within one year	22,644	17,785
Due between one and two years	18,421	13,196
Due between two and five years	32,395	26,919
Due after five years	-	4,961
	<u>73,460</u>	<u>62,861</u>

6 DEFERRED TAXATION

Deferred taxation arises solely in respect of accelerated capital allowances.

7 CALLED UP SHARE CAPITAL

There has been no change during the year.

	<u>Authorised</u> £	<u>Allotted and fully paid</u> £
Ordinary shares of £1 each	<u>50,000</u>	<u>10,000</u>

8 RESERVES

	<u>Revaluation reserve</u> £	<u>Profit and loss account</u> £
At 31 May 1995	35,508	80,497
Retained profit for the year	-	28,789
At 31 May 1996	<u>35,508</u>	<u>109,286</u>

9 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	<u>1996</u> £	<u>1995</u> £
At 31 May 1995	126,005	125,537
Profit for the financial year	84,789	468
Dividends	(56,000)	-
At 31 May 1996	<u>154,794</u>	<u>126,005</u>

10 LEASE COMMITMENTS

Payments falling due within one year under operating leases are as follows:

	<u>1996</u>		<u>1995</u>	
	<u>Office furniture and equipment</u> £	<u>Land and buildings</u> £	<u>Office furniture and equipment</u> £	<u>Land and buildings</u> £
Leases expiring between 2 - 5 years	11,081	-	10,848	-
Leases expiring after 5 years	-	12,800	-	12,000
	<u>11,081</u>	<u>12,800</u>	<u>10,848</u>	<u>12,000</u>

11 DIRECTORS' INTERESTS IN CONTRACTS

S. C. Randall and A. G. Mistry are also directors and shareholders of Brett & Randall Marine Limited with whom the following transactions were undertaken by the company during the year:

	£
Purchase of motor vehicle	3,802
Income and recharges	<u>10,254</u>

S. C. Randall and A. G. Mistry are also directors and shareholders of Business Insurance Services Direct Limited from whom an amount of £11,861 is receivable in respect recharge of expenses.

S. C. Randall is also a director and shareholder of the companies listed below with whom the following transactions were undertaken during the year:

	Income and commission received £	Recharges and expenses paid £
New Walk Management Limited	45,141	24,780
Sims Insurance Services Limited	<u>117,776</u>	<u>62,242</u>

12 PENSION SCHEME

The company operates a defined contribution scheme for directors and staff. The assets of the scheme are held separately from those of the company in independently managed funds. The pension cost charge for the year amounted to £33,451 (1995 £25,877), representing contributions payable by the company to the fund in respect of the year.