

BEAZLEY FURLONGE & HISCOX LIMITED

REPORT AND FINANCIAL STATEMENTS

30TH JUNE 1988

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BEAZLEY FURLONGE & HISCOX LIMITED

DIRECTORS' REPORT

30th June 1988

The directors present their report and the audited financial statements for the year ended 30th June 1988.

Business review and future developments

The principal activity of the company is that of Lloyd's underwriting agents.

The capacity of the managed syndicate increased for 1988 and was the main cause of the increased profits for the year.

It is hoped that future years will have the benefit of Profit Commission receivable but this will depend on the Syndicates' performance and conditions in the Lloyds Market as a whole.

Profit and appropriations

The results for the period are shown in the profit and loss account on page 3. A first and final dividend of 75p per " B " share was paid on 30th June 1988.

Directors

The directors of the company during the period and their interests in the shares of the company were as follows:

	30th June 1988		1st July 1987	
	"A" shares	"B" shares	"A" shares	"B" shares
R.R.S. Hiscox - Chairman	50	-	50	-
A.F. Beazley	50	9,450	50	12,450
N.H. Furlonge	50	12,450	50	12,450
I.N. Thomson	25	-	25	-
A.N. Foster	25	-	25	-
G.M. Carrick	-	-	-	-

Fixed assets

Details of fixed assets are set out in note 6 to the financial statements.

Auditors

Hodgson Impey have agreed to offer themselves for re-election as auditors of the company.

By order of the board

A. N. Foster
Secretary

29/30 Leadenhall Street,
London EC3V 1LR.

5th October 1988

BEAZLEY FURLONGE & HISCOX LIMITED

AUDITORS' REPORT

Auditors' report to the members of Beazley Furlonge & Hiscox Limited

We have audited the financial statements on pages 3 to 8 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th June 1988 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London

Hodgson Impey
Chartered Accountants.

5th October 1988

BEAZLEY FURLONGE & HISCOX LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30th June 1988

	Note	1988 £	1987 £
Turnover		113,516	79,496
Administrative expenses		(57,887)	(13,976)
Other operating income		<u>25,359</u>	<u>-</u>
Operating profit	2	80,988	65,520
Interest receivable		<u>8,135</u>	<u>9,277</u>
Profit on ordinary activities before taxation		89,123	74,797
Taxation	4	<u>(27,678)</u>	<u>(21,077)</u>
Profit on ordinary activities after taxation		61,445	53,720
Dividend	5	<u>(37,350)</u>	<u>(24,900)</u>
Retained profit for the year	10	<u>24,095</u>	<u>28,820</u>

BEAZLEY FURLONGE & HISCOX LIMITED

BALANCE SHEET

at 30th June 1988

	Note	1988 £	1987 £
Fixed assets			
Tangible assets	6	91,578	20,454
Current assets			
Debtors	7	25,484	6,216
Cash at bank		<u>49,786</u>	<u>107,355</u>
		75,270	113,571
Creditors: amounts falling due within one year	8	<u>72,130</u>	<u>63,452</u>
Net current assets		<u>3,090</u>	<u>50,119</u>
		<u>94,668</u>	<u>70,573</u>
Capital and reserves			
Called up share capital	9	25,000	25,000
Profit and loss account	10	<u>69,668</u>	<u>45,573</u>
		<u>94,668</u>	<u>70,573</u>

The financial statements on pages 3 to 8 were approved by the board of directors on 5th October 1988.

R.R.S Hiscox

)
)
) Directors
)

A. F. Beazley

A.F. Beazley

BEAZLEY FURLONGE & HISCOX LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 30th June 1988

	1988 £	1987 £
Source of funds		
From operations		
Profit on ordinary activities before taxation	89,123	74,797
Items not involving the movement of funds		
Depreciation	<u>15,652</u>	<u>5,844</u>
	104,775	80,641
Other sources		
Disposal of fixed assets	<u>-</u>	<u>5,100</u>
	104,775	85,741
Application of funds		
Additions to fixed assets	(86,776)	(24,763)
Dividend paid	(37,350)	(24,900)
Taxation paid	<u>(21,100)</u>	<u>(7,477)</u>
	(40,451)	28,601
Movement in working capital		
Debtors	(19,146)	1,519
Creditors	<u>2,028</u>	<u>34,675</u>
(Decrease)/increase in net liquid funds		
Cash at bank	<u>(57,569)</u>	<u>64,795</u>

BEAZLEY FURLONGE & HISCOX LIMITED

NOTES TO THE ACCOUNTS

30th June 1988

1 Accounting policies

Basis of accounting

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

Turnover

Turnover represents salaries derived from Underwriting Names at Lloyd's.

Agency salaries represent net retained salaries in respect of one half of the 1987 Underwriting Account and one half of the 1988 Underwriting Account.

Any profit commission relating to the 1986, 1987 and 1988 Underwriting Account will be credited in the company's financial statements for 1989, 1990 and 1991 respectively.

Depreciation

Depreciation of tangible fixed assets is calculated by reference to cost at rates estimated to write off the relevant assets over their expected useful lives, taking into account normal commercial and technical obsolescence.

The annual rates used are

Furniture and equipment	20% on cost
Motor vehicles	25% on cost
Leasehold buildings	Over period of lease

Deferred taxation

Deferred taxation is accounted for on all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Operating profit	1988 £	1987 £
Operating profit is stated after crediting		
Rents receivable	<u>25,359</u>	<u>-</u>
and after charging:		
Depreciation	<u>15,652</u>	<u>5,844</u>
Auditors remuneration	<u>2,000</u>	<u>1,000</u>
Operating leases for motor vehicles	<u>3,543</u>	<u>-</u>

BEAZLEY FURLONGE & HISCOX LIMITED

NOTES TO THE ACCOUNTS

30th June 1988
(continued)

	1988 £	1987 £
3 Directors and employees		
Staff costs including Directors' emoluments		
Salaries	9,727	1,200
Social security costs	<u>594</u>	<u>60</u>
	<u>10,321</u>	<u>1,260</u>
	Number	Number
Average number employed including executive Directors	<u>5</u>	<u>4</u>
	£	£
Directors emoluments	<u>5,082</u>	<u>-</u>
Highest paid Director	<u>5,082</u>	<u>-</u>
4 Taxation		
Corporation tax on profit on ordinary activities at 26.8% (1987 28.5%)	27,800	21,100
Adjustment in respect of prior year	<u>(122)</u>	<u>(23)</u>
	<u>27,678</u>	<u>21,077</u>
No provision for deferred taxation is required.		
5 Dividend		
"B" shares of 50p each		
Final Dividend paid of 75p per share (1987 - 50p)	<u>37,350</u>	<u>24,900</u>
6 Tangible fixed assets	Short Leasehold £	Furniture, motor vehicles & equipment £
Cost		
30th June 1987	-	27,901
Additions	85,214	1,562
Disposals	<u>-</u>	<u>-</u>
30th June 1988	<u>85,214</u>	<u>29,463</u>
Depreciation		
30th June 1987	-	7,447
Charge for the year	8,521	7,131
Disposals	<u>-</u>	<u>-</u>
30th June 1988	<u>8,521</u>	<u>14,578</u>
Net book amount		
30th June 1988	<u>76,693</u>	<u>14,885</u>

BEAZLEY FURLONGE & HISCOX LIMITED

NOTES TO THE ACCOUNTS

30th June 1988
(continued)

	1988		1987	
	£		£	
6 Tangible fixed assets (continued)				
Future capital expenditure				
Contracted for		<u>3,094</u>		<u>Nil</u>
7 Debtors				
Trade debtors		4,615		-
Other debtors		7,892		998
Prepayments and accrued income		<u>12,977</u>		<u>5,218</u>
		<u>25,484</u>		<u>6,216</u>
8 Creditors: amounts falling due within one year				
Trade creditors		-		13,663
Amounts owed to related company		7,777		-
Corporation tax		27,800		21,100
Other taxation and social security		80		-
Accruals and deferred income		<u>36,523</u>		<u>28,689</u>
		<u>72,180</u>		<u>63,452</u>
9 Called up share capital				
	Number of	1988	Number of	1987
	shares	£	shares	£
Authorised				
"A" Non-participating shares of 50p each	200	100	200	100
"B" Participating shares of 50p each	<u>49,800</u>	<u>24,900</u>	<u>49,800</u>	<u>24,900</u>
		<u>25,000</u>		<u>25,000</u>
Allotted called up and fully paid				
"A" Non-participating shares of 50p each	200	100	200	100
"B" Participating shares of 50p each	<u>49,800</u>	<u>24,900</u>	<u>49,800</u>	<u>24,900</u>
		<u>25,000</u>		<u>25,000</u>
10 Profit and loss account				
		1988		1987
		£		£
At 1st July 1987		45,573		16,753
Retained profit for the year		<u>24,095</u>		<u>28,820</u>
At 30th June 1988		<u>69,668</u>		<u>45,573</u>