



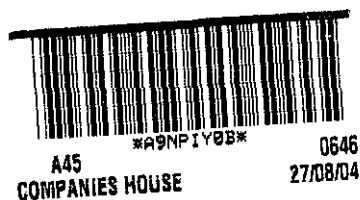
Accountants and business advisors

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

REGISTERED NUMBER 02511992

ABBREVIATED ACCOUNTS

YEAR ENDED 31 OCTOBER 2003



WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

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**INDEPENDENT AUDITORS' REPORT TO
WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts, which comprise the Abbreviated Balance Sheet and the related notes, together with the financial statements of the company for the year ended 31 October 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, as a body, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts are properly prepared in accordance with those provisions.



Lowestoft, UK
26/8/2004

PKF
Registered Auditors

PKF

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED
ABBREVIATED BALANCE SHEET
31 OCTOBER 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Intangible	2	654,511	143,663
Tangible	3	145,765	85,953
Investments	4	1,099	1,099
		<u>801,375</u>	<u>230,715</u>
CURRENT ASSETS			
Stocks		592	688
Debtors		2,087,460	2,276,529
Cash at bank and in hand		859,168	739,598
		<u>2,947,220</u>	<u>3,016,815</u>
CREDITORS: amounts falling due within one year	5	(3,290,402)	(2,975,449)
NET CURRENT (LIABILITIES)/ASSETS		<u>(343,182)</u>	<u>41,366</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>458,193</u>	<u>272,081</u>
CREDITORS: amounts falling due after more than one year	5	(27,620)	(9,584)
PROVISIONS FOR LIABILITIES AND CHARGES		(7,000)	(5,769)
NET ASSETS		<u><u>423,573</u></u>	<u><u>256,728</u></u>
CAPITAL AND RESERVES			
Called up share capital	6	6,321	6,321
Share premium account		96,345	96,345
Profit and loss account		320,907	154,062
		<u>423,573</u>	<u>256,728</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts were approved by the board on 26 August 2004

Signed on behalf of the board of directors

G P Cook



Director

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2003

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

(b) Turnover

Turnover comprises commissions and fees at invoice value less trade discounts allowed and excluding value added tax. Credit is taken for commissions when the premiums on which that commission is earned are due.

(c) Intangible fixed assets

Amortisation is provided at rates calculated to write off the cost of intangible fixed assets, less their estimated residual values, over their expected useful lives.

Purchased goodwill is amortised over 8 and 20 years.

(d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Property improvements	15 % reducing balance
Plant & equipment etc.	20 %-25% reducing balance

(e) Finance and operating leases

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease on a straight line basis.

Operating lease rentals are charged in the profit and loss accounts on a straight line basis over the lease term.

(f) Deferred taxation

The company provides for deferred taxation on a full provision basis.

(g) Pensions

The company operates a defined contribution group personal pension plan and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2003

1 ACCOUNTING POLICIES (continued)

(h) Insurance broking debtors and creditors

i) Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities. This recognises that the insurance broker is entitled to retain the investment income on any cashflows arising from these transactions.

ii) Debtors and creditors arising from a transaction between client and insurers (eg a premium or a claim) are recorded simultaneously. Consequently, there is a high level of correlation between the totals reported in respect of insurance broking debtors and insurance broking creditors.

iii) The position of the insurance broker as agent means that generally the credit risk is borne by the principals. There can be circumstances where the insurance broker acquires credit risk through statute, or through the act or omission of the insurance broker or of one of the principals. There is much legal uncertainty surrounding the circumstances and the extent of such exposures and consequently they cannot be evaluated. However, the total of insurance broking debtors appearing in the balance sheet is not an indication of credit risk.

iv) It is normal practice for insurance brokers to settle accounts with other intermediaries, clients, insurers and market settlement bureaux on a net basis. Thus, large changes in both insurance broking debtors and creditors can result from comparatively small cash settlements. For this reason, the totals of insurance broking debtors and creditors give no indication of future cashflows.

v) The legal status of this practice of net settlement is uncertain and in the event of an insolvency it is generally abandoned. Financial Reporting Standard No 5 "Reporting the substance of transactions" requires that offset of assets and liabilities should be recognised in financial statements where, and only where, the offset would survive the insolvency of the other party. Accordingly, only such offsets have been recognised in calculating insurance broking debtors and creditors.

(i) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2003

2 INTANGIBLE FIXED ASSETS

	£
Cost	
At 1 November 2002	173,700
Additions	525,001
	<hr/>
At 31 October 2003	698,701
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Amortisation	
At 1 November 2002	30,037
Charge for the year	14,153
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At 31 October 2003	44,190
	<hr/>
Net book amount	
At 31 October 2003	654,511
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At 31 October 2002	143,663
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3 TANGIBLE FIXED ASSETS

	£
Cost	
At 1 November 2002	190,564
Additions	101,867
Disposals	(44,560)
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At 31 October 2003	247,871
	<hr/>
Depreciation	
At 1 November 2002	104,611
Charge for the year	23,776
On disposals	(26,281)
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At 31 October 2003	102,106
	<hr/>
Net book amount	
At 31 October 2003	145,765
	<hr/> <hr/>
At 31 October 2002	85,953
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WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2003

4 FIXED ASSET INVESTMENTS

	£
Cost	
At 1 November 2002	
and 31 October 2003	<u>299,358</u>
Provisions	
At 1 November 2002	
and 31 October 2003	<u>298,259</u>
Net book amount	
At 31 October 2003	<u>1,099</u>
At 31 October 2002	<u><u>1,099</u></u>

Investments include an investment in a subsidiary Risk Management Analysis Services Limited, formerly Waveney Insurance Services (Norwich) Limited, a company incorporated in Great Britain, comprising a holding of 100% of its issued ordinary capital.

During its latest financial year Risk Management Analysis Services Limited, formerly Waveney Insurance Services (Norwich) Limited made a profit after tax of £NIL (2002 - £NIL) and at the end of that year the aggregate of its capital and reserves was £1,399 (2002 - £1,399).

Investments include an investment in TBB Limited, a company incorporated in Great Britain, comprising a holding of 100% of its issued ordinary capital.

During its latest financial year TBB Limited made a profit after tax of £NIL (2002 - £NIL) and at the end of that year the aggregate of its capital and reserves was £99 (2002 - £99).

5 CREDITORS

Creditors amounting to £53,887 (2002 - £17,252) are secured.

6 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	£
At 1 November 2002			
and 31 October 2003			
Ordinary 'A' shares of £1 each	20,000	6,316	6,316
Ordinary 'B' shares of 1p each	10,000	5	5
	<u>30,000</u>	<u>6,321</u>	<u>6,321</u>

The 'A' and 'B' shares rank pari passu in all respects except that 'B' shares can only be held by employees.

'B' shareholders have no right to participate in further issues of 'A' shares.

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WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2003

7 PARENT UNDERTAKINGS

In the opinion of the directors the company's ultimate parent company is Waveney Insurance Brokers Limited.

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