

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

REGISTERED NUMBER: 02511992

ABBREVIATED ACCOUNTS

YEAR ENDED 31 OCTOBER 2005



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COMPANIES HOUSE

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28/07/2006

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 2005 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 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.

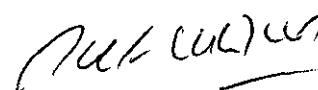
Basis of opinion

We have carried out the procedures we considered 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.

Great Yarmouth, UK
12 July 2006



PKF (UK) LLP
Registered Auditors

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

ABBREVIATED BALANCE SHEET

31 OCTOBER 2005

| | Notes | 2005 £ | 2004 £ |
|--|-------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Intangible | 2 | 884,650 | 970,828 |
| Tangible | 3 | 209,292 | 238,645 |
| Investments | 4 | 1,099 | 1,099 |
| | | <u>1,095,041</u> | <u>1,210,572</u> |
| CURRENT ASSETS | | | |
| Stocks | | 4,000 | 819 |
| Debtors | | 1,717,928 | 1,961,918 |
| Cash at bank and in hand | | 1,233,490 | 735,418 |
| | | <u>2,955,418</u> | <u>2,698,155</u> |
| CREDITORS: amounts falling due within one year | 5 | (2,882,628) | (2,821,828) |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>72,790</u> | <u>(123,673)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,167,831</u> | <u>1,086,899</u> |
| CREDITORS: amounts falling due after more than one year | 5 | (612,147) | (586,932) |
| PROVISIONS FOR LIABILITIES AND CHARGES | | <u>(15,000)</u> | <u>(4,000)</u> |
| NET ASSETS | | <u><u>540,684</u></u> | <u><u>495,967</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 6 | 6,322 | 6,321 |
| Share premium account | | 116,344 | 96,345 |
| Profit and loss account | | 418,018 | 393,301 |
| | | <u>540,684</u> | <u>495,967</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 11 July 2006

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 2005

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

Brokerage commission and fees are recognised when the premiums on which that commission is earned are due and as the company fulfils its obligations. Under the company's current business terms, there are contractual obligations to provide certain services in relation to that commission and where these services are incomplete, a proportion of that income is deferred until its obligations are fulfilled.

(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 10 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.

(h) 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 2005

1 ACCOUNTING POLICIES (continued)

(i) 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.

2 INTANGIBLE FIXED ASSETS

| | £ |
|------------------------|------------------|
| Cost | |
| At 1 November 2004 | 1,142,799 |
| Additions | 10,000 |
| At 31 October 2005 | <u>1,152,799</u> |
| Amortisation | |
| At 1 November 2004 | 171,971 |
| Charge for the year | 96,178 |
| At 31 October 2005 | <u>268,149</u> |
| Net book amount | |
| At 31 October 2005 | <u>884,650</u> |
| At 31 October 2004 | <u>970,828</u> |

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 OCTOBER 2005

3 TANGIBLE FIXED ASSETS

| | £ |
|------------------------|----------------|
| Cost | |
| At 1 November 2004 | 382,010 |
| Additions | 37,403 |
| Disposals | (34,951) |
| At 31 October 2005 | <u>384,462</u> |
| Depreciation | |
| At 1 November 2004 | 143,365 |
| Charge for the year | 54,737 |
| On disposals | (22,932) |
| At 31 October 2005 | <u>175,170</u> |
| Net book amount | |
| At 31 October 2005 | <u>209,292</u> |
| At 31 October 2004 | <u>238,645</u> |

4 FIXED ASSET INVESTMENTS

| | £ |
|---|----------------|
| Cost | |
| At 1 November 2004 and 31 October 2005 | <u>299,358</u> |
| Provisions | |
| At 1 November 2004 and 31 October 2005 | <u>298,259</u> |
| Net book amount | |
| At 31 October 2005 | <u>1,099</u> |
| At 31 October 2004 | <u>1,099</u> |

Investments include a participating interest in Risk Management Analysis Services Limited, a company incorporated in Great Britain, comprising a holding of 50% of its issued ordinary capital.

During its latest financial year Risk Management Analysis Services Limited made a loss after tax of **£(6,270)** (2004 - £(8,467)) and at the end of that year the aggregate of its capital and reserves was **£(12,737)** (2004 - £(6,467)).

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** (2004 - £NIL) and at the end of that year the aggregate of its capital and reserves was **£99** (2004 - £99).

5 CREDITORS

Creditors amounting to **£47,406** (2004 - £102,226) are secured.

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 OCTOBER 2005

6 SHARE CAPITAL

| | Authorised £ | Allotted, called up and fully paid No | £ |
|--------------------------------|-----------------|---|--------------|
| At 1 November 2004 | | | |
| Ordinary 'A' shares of £1 each | 20,000 | 6,316 | 6,316 |
| Ordinary 'B' shares of 1p each | 10,000 | 515 | 5 |
| | <u>30,000</u> | <u>6,831</u> | <u>6,321</u> |
| Movements in year: | | | |
| Ordinary 'B' shares of 1p each | - | 127 | 1 |
| | <u>-</u> | <u>127</u> | <u>1</u> |
| At 31 October 2005 | | | |
| Ordinary 'A' shares of £1 each | 20,000 | 6,316 | 6,316 |
| Ordinary 'B' shares of 1p each | 10,000 | 642 | 6 |
| | <u>30,000</u> | <u>6,958</u> | <u>6,322</u> |

During the year 127 ordinary 'B' shares with an aggregate nominal value of £1.27 were issued for £20,000 cash.

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.

7 PARENT UNDERTAKINGS

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