

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2007

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WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

COMPANY INFORMATION

Directors	G P Cook D A Dove M Cox P Westgate
Secretary	D A Dove
Company number	02511992
Registered office	128 Bevan Street East Lowestoft Suffolk NR32 2AQ
Auditors	PKF (UK) LLP East Coast House Galahad Road Beacon Park Gorleston Great Yarmouth NR31 7RU

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

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WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2007

The directors present their report and the financial statements for the year ended 31 October 2007

Principal activities

The company's principal activity was the provision of insurance brokering services

Business review

The directors measure the company's performance based on its overall profitability which includes maximising its commission levels and managing wages and salaries being the company's main overhead. The results of the company are detailed in the attached financial statements.

The directors consider the results for the year to be satisfactory and anticipate developing the company further in the coming year.

The principal risk which the company monitors and actively controls, which is a common risk to all companies in this industry, is compliance with the FSA regulations and managing professional standards.

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk. The company only has a small level of transactions in foreign currency, resulting in minimal exposure to foreign exchange risk.

Results

The profit for the year, after taxation, amounted to £192,726 (2006 - £60,417)

Directors

The directors who served during the year were

G P Cook
D A Dove
M Cox
P Westgate

Political and charitable contributions

During the year the company made charitable donations of £604

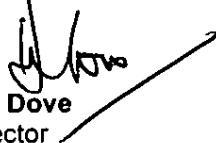
Provision of information to auditors

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

This report was approved by the board on

and signed on its behalf


D A Dove
Director

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 OCTOBER 2007

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

**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 profit and loss account, the balance sheet, the cash flow statement and the related notes, together with the financial statements of Waveney Insurance Brokers (Commercial) Limited for the year ended 31 October 2007 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

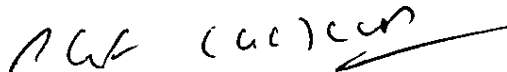
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 20 have been properly prepared in accordance with that provision.



PKF (UK) LLP

Registered auditors

Great Yarmouth, UK

Date 14 January 2008

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2007**

	Note	2007 £	2006 £
Selling and distribution costs		(62,819)	(26,821)
Administrative expenses		(2,718,971)	(3,270,449)
OPERATING PROFIT	2	271,151	83,740
Amounts written off investments		(1,000)	-
Interest receivable		54,427	53,557
Interest payable	5	(34,541)	(34,428)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		290,037	102,869
Tax on profit on ordinary activities	6	(97,311)	(42,452)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	192,726	60,417

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 other than those included in the profit and loss account

The notes on pages 7 to 20 form part of these financial statements

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

**ABBREVIATED BALANCE SHEET
AS AT 31 OCTOBER 2007**

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Intangible fixed assets	7		568,530		695,729
Tangible fixed assets	8		311,729		300,502
Fixed asset investments	9		3,299		2,099
			<u>883,558</u>		<u>998,330</u>
CURRENT ASSETS					
Stocks		4,000		4,000	
Debtors	10	2,182,251		1,778,632	
Cash at bank		1,276,370		1,000,003	
		<u>3,462,621</u>		<u>2,782,635</u>	
CREDITORS. amounts falling due within one year	11	(3,328,906)		(2,767,306)	
NET CURRENT ASSETS			<u>133,715</u>		<u>15,329</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,017,273</u>		<u>1,013,659</u>
CREDITORS. amounts falling due after more than one year	12		(185,380)		(388,161)
PROVISIONS FOR LIABILITIES					
Deferred tax	13		(22,471)		(24,398)
NET ASSETS			<u>809,422</u>		<u>601,100</u>
CAPITAL AND RESERVES					
Called up share capital	14		8,533		6,322
Share premium account	15		129,729		116,344
Profit and loss account	15		671,160		478,434
SHAREHOLDERS' FUNDS - All equity	16		<u>809,422</u>		<u>601,100</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on *14 January 2008*

GP
G P Cook
Director

The notes on pages 7 to 20 form part of these financial statements

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

**Abbreviated CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2007**

	Note	2007 £	2006 £
Net cash flow from operating activities	24	361,844	(149,356)
Returns on investments and servicing of finance	25	19,886	19,129
Taxation		(34,240)	-
Capital expenditure and financial investment	25	(18,190)	(55,900)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		329,300	(186,127)
Financing	25	(52,933)	(47,360)
INCREASE/(DECREASE) IN CASH IN THE YEAR		276,367	(233,487)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 OCTOBER 2007**

	2007 £	2006 £
Increase/(Decrease) in cash in the year	276,367	(233,487)
Cash outflow from decrease in debt and lease financing	66,329	47,360
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	342,696	(186,127)
New finance lease	(83,220)	(133,899)
MOVEMENT IN NET DEBT IN THE YEAR	259,476	(320,026)
Net funds at 1 November 2006	866,058	1,186,084
NET FUNDS AT 31 OCTOBER 2007	1,125,534	866,058

The notes on pages 7 to 20 form part of these financial statements

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2007

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is itself a subsidiary company and 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.

1.2 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.

1.3 Intangible fixed assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Purchased goodwill is amortised over 7 and 20 years.

1.4 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
Motor vehicles	-	20%	reducing balance

1.5 Finance and operating leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2007

1. ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.8 Insurance brokering 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 brokering transactions are shown as assets and liabilities. This recognises that the insurance broker is entitled to retain the investment income on any cash flows 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 of insurance brokering debtors and insurance brokering 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 cannot be evaluated. However, the total of insurance brokering 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 bureau on a net basis. Thus, large changes in both insurance brokering debtors and creditors can result from comparatively small cash settlements. For this reason, the totals of insurance brokering debtors and creditors give no indication of future cash flows

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 brokering debtors and creditors

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2007

1. ACCOUNTING POLICIES (continued)

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at 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 gains and losses are recognised in the profit and loss account

2. OPERATING PROFIT

The operating profit is stated after charging

	2007	2006
	£	£
Amortisation - intangible fixed assets	127,199	188,921
Depreciation of tangible fixed assets		
- owned by the company	36,791	34,055
- held under finance leases	38,563	35,903
Auditors' remuneration	7,500	7,000
Operating lease charges - property	62,028	62,158
Loss on sale of tangible assets	14,829	6,958
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3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2007	2006
	£	£
Wages and salaries	1,314,270	1,582,904
Social security costs	176,177	188,645
Other pension costs	36,379	37,153
	<hr/> <hr/>	<hr/> <hr/>
	1,526,826	1,808,702

The average monthly number of employees, including the directors, during the year was as follows

	2007	2006
	No.	No.
Insurance advisors	40	47
Administration	12	14
	<hr/> <hr/>	<hr/> <hr/>
	52	61

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2007**

4. DIRECTORS' REMUNERATION

	2007	2006
	£	£
Emoluments	237,944	199,840
Company pension contributions to money purchase pension schemes	4,610	4,876

During the year retirement benefits were accruing to 2 directors (2006 - 2) in respect of money purchase pension schemes

The highest paid director received remuneration of £126,704 (2006 - £105,215)

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £2,250 (2006 - £5,425)

During the year retirement benefits were accruing to 2 directors (2006 - 2) in respect of money purchase pension schemes

5. INTEREST PAYABLE

	2007	2006
	£	£
On bank loans and overdrafts	2,963	4,265
On finance leases and hire purchase contracts	9,078	7,663
On loans from group undertakings	22,500	22,500
	34,541	34,428

6. TAXATION

	2007	2006
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profits for the year	104,051	39,054
Adjustments in respect of prior periods	(4,813)	(6,000)
Total current tax	99,238	33,054
Deferred tax		
Origination and reversal of timing differences	(1,927)	1,279
Effect of increased tax rate on opening liability	-	8,119
Total deferred tax (see note 13)	(1,927)	9,398
Tax on profit on ordinary activities	97,311	42,452

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2007

6. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007	2006
	£	£
Profit on ordinary activities before tax	290,037	102,869
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 30%)	87,011	30,861
Effects of:		
Expenses not deductible for tax purposes	15,113	17,288
Capital allowances for year in excess of depreciation	(3,793)	(6,978)
Tax adjustments and other timing differences	5,720	5,699
Marginal relief	-	(9,316)
Adjustments to tax charge in respect of prior periods	(4,813)	(6,000)
Over provision of corporation tax	-	1,500
Current tax charge for the year (see note above)	99,238	33,054

Factors that may affect future tax charges

There were no factors that may affect future tax charges

7. INTANGIBLE FIXED ASSETS

	Goodwill
	£
Cost	
At 1 November 2006 and 31 October 2007	1,152,799
Amortisation	
At 1 November 2006	457,070
Charge for the year	127,199
At 31 October 2007	584,269
Net book value	
At 31 October 2007	568,530
At 31 October 2006	695,729

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2007**

8. TANGIBLE FIXED ASSETS

	Property improvements £	Plant and equipment etc £	Motor vehicles £	Total £
Cost				
At 1 November 2006	26,844	290,231	224,150	541,225
Additions	-	13,545	100,365	113,910
Disposals	-	-	(65,758)	(65,758)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2007	26,844	303,776	258,757	589,377
Depreciation				
At 1 November 2006	9,193	132,540	98,990	240,723
Charge for the year	2,648	41,040	31,666	75,354
On disposals	-	-	(38,429)	(38,429)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2007	11,841	173,580	92,227	277,648
Net book value				
At 31 October 2007	<hr/> 15,003 <hr/>	<hr/> 130,196 <hr/>	<hr/> 166,530 <hr/>	<hr/> 311,729 <hr/>
At 31 October 2006	<hr/> 17,651 <hr/>	<hr/> 157,691 <hr/>	<hr/> 125,160 <hr/>	<hr/> 300,502 <hr/>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2007 £	2006 £
Plant and equipment	48,427	64,569
Motor vehicles	103,699	71,643
	<hr/>	<hr/>
	152,126	136,212
	<hr/>	<hr/>

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2007

9. FIXED ASSET INVESTMENTS

	Unlisted invest- ments £
Cost or valuation	
At 1 November 2006	300,358
Additions	2,200
	<hr/>
At 31 October 2007	302,558
	<hr/>
Provisions	
At 1 November 2006	298,259
Charge for the year	1,000
	<hr/>
At 31 October 2007	299,259
	<hr/>
Net book value	
At 31 October 2007	3,299
	<hr/>
At 31 October 2006	2,099
	<hr/>

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

The latest accounts are unavailable for Risk Management Analysis Services Limited. In the year ended 31 December 2006, Risk Management Analysis Services Limited made a loss after tax of £(4,673) and at the end of that year the aggregate of its capital and reserves was £(17,135)

Investments also 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 of £Nil (2006 - £Nil) and at the end of that year the aggregate of its capital and reserves was £99 (2006 - £99)

Within investments is also 76% (2006 - 100%) of the issued share capital of Waveney Group Schemes Limited, a company incorporated in Great Britain

In its first year of trading, Waveney Group Schemes Limited made a profit of £338,449 (2006 - £Nil) and at the end of that year the aggregate of its capital and reserves was £408,154 (2006 - £2,505)

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2007**

10. DEBTORS

	2007	2006
	£	£
Due after more than one year		
Amounts owed by group undertakings	50,000	50,000
Other debtors	17,577	-
Due within one year		
Trade debtors	1,966,123	1,676,952
Amounts owed by group undertakings	40,840	-
Other debtors	221	37,008
Prepayments and accrued income	107,490	14,672
	<u>2,182,251</u>	<u>1,778,632</u>

Trade debtors represent amounts due in respect of insurance brokering transactions

11. CREDITORS

Amounts falling due within one year

	2007	2006
	£	£
Net obligations under finance leases and hire purchase contracts	65,455	45,783
Trade creditors	2,337,414	2,061,134
Amounts owed to group undertakings	435,213	109,067
Corporation tax	104,051	39,054
Social security and other taxes	36,495	50,646
Other creditors	7,892	7,614
Accruals and deferred income	342,386	454,008
	<u>3,328,906</u>	<u>2,767,306</u>

Finance lease and hire purchase creditors are secured on the assets concerned

Trade creditors represent amounts relating to insurance brokering transactions

12. CREDITORS:

Amounts falling due after more than one year

	2007	2006
	£	£
Net obligations under finance leases and hire purchase contracts	85,380	88,161
Amounts owed to group undertakings	100,000	300,000
	<u>185,380</u>	<u>388,161</u>

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2007**

12. CREDITORS:

Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2007	2006
	£	£
Between one and five years	85,380	88,161

Finance lease and hire purchase creditors are secured on the assets concerned

13. DEFERRED TAXATION

	2007	2006
	£	£
At 1 November 2006	24,398	15,000
(Released during)/charge for the year	(1,927)	9,398
At 31 October 2007	22,471	24,398

The provision for deferred taxation is made up as follows

	2007	2006
	£	£
Accelerated capital allowances	23,467	26,009
Short term timing differences	(996)	(1,611)
	22,471	24,398

There is potential liability of £19,000 (2006 - £20,600) relating to goodwill purchase from a fellow group company which has a nil cost for taxation purposes. Deferred tax is not provided in this respect as the company has no intention of selling the goodwill in the foreseeable future.

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2007

14. SHARE CAPITAL

	2007 £	2006 £
Authorised		
20,000 Ordinary "A" shares shares of £1 each	20,000	20,000
10,000 Ordinary "B" shares shares of 1p each	100	100
3,400 Ordinary "C" shares shares of 65p each	2,210	-
	<u>22,310</u>	<u>20,100</u>
Allotted, called up and fully paid		
6,316 Ordinary "A" shares shares of £1 each	6,316	6,316
727 Ordinary "B" shares shares of 1p each	7	6
3,400 Ordinary "C" shares shares of 65p each	2,210	-
	<u>8,533</u>	<u>6,322</u>

During the year the company has issued 85 ordinary "B" shares of 1p each for £157 48 per share

The company has also issued at par 3,400 ordinary "C" shares of 65p each

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

The 'C' shares have no voting rights and are not entitled to a dividend, and have no right to participate in further issues of 'A' or 'B' shares

15. RESERVES

	Share premium account £	Profit and loss account £
At 1 November 2006	116,343	478,434
Profit retained for the year		192,726
Premium on shares issued during the year	13,386	
	<u>129,729</u>	<u>671,160</u>
At 31 October 2007		

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2007

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Opening shareholders' funds	601,100	540,683
Profit for the year	192,726	60,417
Shares issued during the year	2,211	-
Share premium on shares issued (net of expenses)	13,385	-
	<hr/>	<hr/>
Closing shareholders' funds	809,422	601,100
	<hr/>	<hr/>

17 CONTINGENT LIABILITIES

The company has guaranteed the bank loans of its parent company, Waveney Insurance Brokers Limited. At the balance sheet date, the maximum amount payable on these loans was £38,756 (2006 - £67,320)

18 RELATED PARTY TRANSACTIONS

The following transactions with group companies and companies in which the company holds a significant interest are included in the financial statements -

Creditors

TBB Limited, subsidiary £99 (2006 - £99)

Waveney Insurance Brokers Limited, parent company, £521,318 (2006 - £400,643) of which £100,000 (2006 - £300,000) is due in more than one year

Waveney Financial Services Limited, fellow subsidiary, £13,796 (2006 - £8,325)

Debtors

Risk Management Analysis Services Limited, a company in which this company holds an interest, £36,728 (2006 - £36,728), less a bad debt provision of £19,151 (2006 - £Nil)

Waveney Group Schemes Limited, subsidiary, £87,957 (2006 - £50,000) of which £50,000 (2006 - £50,000) is due in more than one year

Waveney McKenna Limited, fellow subsidiary, £2,883 (2006 - £Nil)

Management charges

The company paid management charges of £319,270 (2006 - £275,920) to Waveney Insurance Brokers Limited, the parent company

The company paid management charges of £15,000 (2006 - £15,000) to Waveney Financial Services Limited, a fellow subsidiary

The company received management charges (net of recharges) of £219,103 (2006 - £Nil) from Waveney Group Schemes Limited, a subsidiary

Other fees

The company paid fees of £2,174 (2006 - £5,523) to Risk Management Analysis Services Limited, a company in which this company holds an interest

The company paid £22,500 (2006 - £22,500) to Waveney Insurance Brokers Limited, the parent company, as interest on the loan account balance

In addition, during the year the company issued further 'B' shares to P Westgate, a director, for £13,386

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2007**

19. CAPITAL COMMITMENTS

At 31 October 2007 the company had capital commitments as follows

	2007	2006
	£	£
Contracted for but not provided in these financial statements	19,249	24,720

20. PENSION COMMITMENTS

The company operates a defined contribution group personal pension plan, the assets of which are held separately from those of the company in an independently administered fund

The pension cost charge represents contributions payable by the company to the scheme and amounted to £36,379 (2006 - £37,153) At the year end there were contributions amounting to £5,650 (2006 - £5,371) outstanding

21. OPERATING LEASE COMMITMENTS

At 31 October 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007	2006
Expiry date:		
Within 1 year	17,692	1,152
Between 2 and 5 years	44,501	58,980

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Waveney Insurance Brokers Limited
In the opinion of the directors this is the company's ultimate parent company
Waveney Insurance Brokers Limited is ultimately controlled by no single individual shareholder

23. INSURANCE BUSINESS MONIES

The company uses separately designated insurance brokering accounts for the receipt and payment of all insurance business monies Included in cash at bank and in hand was £773,894 (2005 - £1,049,672) relating to these transactions

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2007**

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	2007	2006
	£	£
Operating profit	271,151	83,740
Amortisation of intangible fixed assets	127,199	188,921
Depreciation of tangible fixed assets	75,354	69,958
Loss on disposal of tangible fixed assets	14,829	6,958
(Increase) in debtors	(365,368)	(10,703)
(Increase) in amounts owed by group undertakings	(40,840)	(50,000)
Increase in creditors	153,373	16,256
Training costs funded by finance leases	-	20,674
Increase/(decrease) in amounts owed to group undertakings	126,146	(475,160)
Net cash inflow/(outflow) from operations	361,844	(149,356)

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	54,427	53,557
Interest paid	(25,463)	(26,765)
Hire purchase interest	(9,078)	(7,663)
Net cash inflow from returns on investments and servicing of finance	19,886	19,129
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(30,690)	(55,422)
Sale of tangible fixed assets	12,500	522
Purchase of unlisted and other investments	-	(1,000)
Net cash outflow from capital expenditure	(18,190)	(55,900)
Financing		
Issue of ordinary shares	13,396	-
Repayment of finance leases	(66,329)	(47,360)
Net cash outflow from financing	(52,933)	(47,360)

WAVENEY INSURANCE BROKERS (COMMERCIAL) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2007**

26. ANALYSIS OF CHANGES IN NET DEBT

	1 November 2006 £	Cash flow £	Other non-cash changes £	31 October 2007 £
Cash at bank and in hand	1,000,003	276,367	-	1,276,370
Debt:				
Debts due within one year	(45,784)	66,329	(86,001)	(65,456)
Debts falling due after more than one year	(88,161)	-	2,781	(85,380)
Net funds	<u>866,058</u>	<u>342,696</u>	<u>(83,220)</u>	<u>1,125,534</u>

Non cash movements

The company entered into new hire purchase agreements of £86,001 during the year