



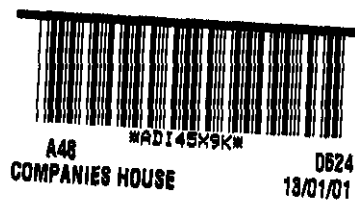
**BDO Stoy Hayward**  
Chartered Accountants

**Morgan Law Limited**

Abbreviated Financial Statements

Year Ended

31 December 1999



# **MORGAN LAW LIMITED**

**Abbreviated financial statements for the year ended 31 December 1999**

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## **Directors**

PA Smith  
KF Watson

## **Secretary and registered office**

JE Miller, Hyde Park House, Crown Street, Ipswich, Suffolk, IP1 3BJ

## **Company number**

2696420

## **Auditors**

BDO Stoy Hayward, 87 Guildhall Street, Bury St Edmunds, Suffolk, IP33 1PU

**MORGAN LAW LIMITED****Report of the auditors**

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**Auditors' report to Morgan Law Limited under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages 2 to 6, together with the financial statements of the company for the year ended 31 December 1999 prepared under section 226 of the Companies Act 1985.

*Respective responsibilities of directors and auditors*

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements 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 financial statements and that the abbreviated financial statements 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 full financial statements.

*Opinion*

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 6 are properly prepared in accordance with those provisions.



**BDO STOY HAYWARD**  
Chartered Accountants  
and Registered Auditors  
Bury St Edmunds

11 January 2001

# MORGAN LAW LIMITED

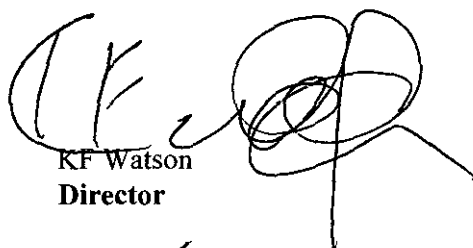
## Balance sheet at 31 December 1999

	Note	1999		1998	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	2		27,775		37,875
Tangible assets	3		360,962		424,633
Investments			1		3,185
			<u>388,738</u>		<u>465,693</u>
<b>Current assets</b>					
Stocks		9,304		9,304	
Debtors		1,507,185		2,033,455	
Cash at bank and in hand		1,998,037		876,823	
		<u>3,514,526</u>		<u>2,919,582</u>	
<b>Creditors: amounts falling due within one year</b>		<u>3,757,828</u>		<u>3,360,318</u>	
<b>Net current liabilities</b>			<u>(243,302)</u>		<u>(440,736)</u>
			145,436		24,957
<b>Creditors: amounts falling due after more than one year</b>	4		<u>36,433</u>		<u>-</u>
<b>Net assets</b>			<u>109,003</u>		<u>24,957</u>
<b>Capital and reserves</b>					
Called up share capital	5		1,000		1,000
Profit and loss account			108,003		23,957
<b>Shareholder's funds</b>			<u>109,003</u>		<u>24,957</u>

All shareholder's funds are attributable to equity interests.

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

The abbreviated financial statements were approved by the Board on 11 January 2001.

  
KF Watson  
Director

The notes on pages 3 to 6 form part of these abbreviated financial statements.

## MORGAN LAW LIMITED

### Notes forming part of the abbreviated financial statements for the year ended 31 December 1999

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#### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

##### *Turnover*

Turnover represents brokerage and fees in respect of premiums received from clients net of related taxes in the United Kingdom. Where clients are given credit brokerage is recognised when all amounts are settled with the insurer. Fees are recognised when the client has fully settled.

##### *Insurance debtors and creditors*

Insurance debtors and creditors include amounts due from or to a party with whom the group settles in the normal course of business.

##### *Goodwill*

Goodwill is the difference between the fair value of the consideration paid on the acquisition of the business and the fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated economic useful life of 10 years.

##### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated as follows:

Motor vehicles	- over 4 years
Computer equipment	- over 4 years
Fixtures, fittings and equipment	- over 4 years

##### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability will crystallise.

##### *Leases and hire purchase contracts*

Assets obtained under hire purchase contracts and leases which result in the transfer to the company of substantially all the risks and rewards of ownership (finance leases) are capitalised as tangible fixed assets at cost and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the instalments is charged to the profit and loss account over the period of the lease or hire purchase contract so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each period.

Rentals paid under other leases (operating leases) are charged against income on a straight line basis over the lease term.

##### *Pension costs*

Contributions to the company's money purchase defined contribution pension schemes are charged to the profit and loss account in the year in which they become payable.

# MORGAN LAW LIMITED

Notes forming part of the abbreviated financial statements for the year ended  
31 December 1999 (*Continued*)

## 2 Intangible fixed assets

	Goodwill £
<i>Cost</i>	
At 1 January 1999 and 31 December 1999	101,000
<i>Amortisation</i>	
At 1 January 1999	63,125
Provided for the year	10,100
At 31 December 1999	73,225
<i>Net book value</i>	
At 31 December 1999	27,775
At 31 December 1998	37,875

## 3 Tangible assets

	Total £
<i>Cost</i>	
At 1 January 1999	659,209
Additions	224,082
Disposals	(197,272)
At 31 December 1999	686,019
<i>Depreciation</i>	
At 1 January 1999	234,576
Provided for the year	150,805
Disposals	(60,324)
At 31 December 1999	325,057
<i>Net book value</i>	
At 31 December 1999	360,962
At 31 December 1998	424,633

The net book value of tangible fixed assets includes an amount of £82,156 (1998 - £Nil) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge for the period was £10,623 (1998 - £Nil).

# MORGAN LAW LIMITED

Notes forming part of the abbreviated financial statements for the year ended  
31 December 1999 (Continued)

## 4 Creditors: amounts falling due after more than one year

	1999 £	1998 £
Obligations under finance leases and hire purchase contracts due to expire within 2 to 5 years	<u>36,433</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts are secured on the underlying assets.

## 5 Share capital

	Authorised		Allotted, called up and fully paid	
	1999 £	1998 £	1999 £	1998 £
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>1,000</u>	<u>1,000</u>

## 6 Contingent liability

The company identified irregularities and having taken independent professional advice, the directors made provisions in the previous years accounts, based on the facts available to them at the time, for the potential liabilities arising therefrom in prior years. Negotiations continue with the Inland Revenue and the directors are confident that full provision for costs have already been made.

## 7 Related party transactions

At 31 December 1999, the company had the following balances with related parties:

	1999 £	1998 £
<b>Debtors</b>		
Morgan Law (Financial Services) Limited	41,228	52,580
KF Watson	20,144	70,144
PA Smith	<u>16,609</u>	<u>92,310</u>
<b>Creditors: amounts falling due within one year</b>		
Morgan Law (Holdings) Limited	<u>493</u>	<u>493</u>

During the year expenses amounting to £10,378 were paid by Morgan Law Limited on behalf of Morgan Law (Financial Services) Limited, its fellow subsidiary undertaking. The expenses were reimbursed by Morgan Law (Financial Services) Limited during the year.

The company charged Morgan Law Financial Services Limited a management charge of £30,000 (1998 - £25,000) during the year.

Also during the year a motor vehicle was purchased from Morgan Law (Financial Services) Limited for a consideration of £9,000 and repurchased for £8,500.

## **MORGAN LAW LIMITED**

**Notes forming part of the abbreviated financial statements for the year ended  
31 December 1999 *(Continued)***

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### **8 Parent company**

At 31 December 1999 the company's parent company was Morgan Law (Holdings) Limited, copies of whose accounts are available from Companies House.