

**British Insurance and Investment
Brokers' Association**

Consolidated Accounts

31 December 1997

Registered No: 1293232



THE BOARD MEMBERS

B K Blakley
G Boden
S Bolam
E F Browne (appointed 4 June 1997)
A P Gavaghan
P J Quayle (appointed 5 November 1997)
M I Sheikh (appointed 3 September 1997)
P W Wilson
G S Whitehead
D M Berliand (resigned 5 November 1997)
G Lowther (resigned 21 December 1997)
G S Huntrods (appointed 4 February 1998)

SECRETARY

M F Shearer (appointed 10 July 1997)
G Polson (resigned 27 June 1997)

AUDITORS

Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

BANKERS

Coutts & Company
Robarts Office
15 Lombard Street
London EC3V 9AU

SOLICITORS

Beachcroft Stanleys
20 Furnival Street
London EC4A 1BN

REGISTERED OFFICE

BIIBA House
14 Bevis Marks
London EC3A 7NT

British Insurance and Investment Brokers' Association

REPORT OF THE BOARD

The Board present their report and the group accounts for the year ended 31 December 1997.

RESULTS

The deficit for the group for the year after taxation amounted to £90,150 (1996 surplus - £3,727).

PRINCIPAL ACTIVITY

BIIBA is a trade association which represents the interests of insurance brokers principally to the UK Government.

FUTURE DEVELOPMENTS

The formation of the Financial Services Authority could have a major impact on the activities of the Association.

FIXED ASSETS

All changes in fixed assets during the year are summarised in note 7 to the accounts.

POST BALANCE SHEET EVENTS

There have been no major events since the balance sheet date.

THE BOARD MEMBERS AND THEIR INTERESTS

The Board members are listed on page 1.

No Board member has any interest in the shares of the company.

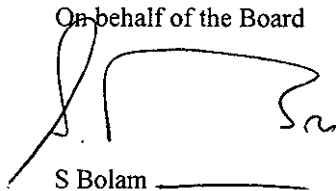
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year BIIBA purchased and maintained liability insurance for its directors and officers as permitted by section 310(3) of the Companies Act 1985.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



S Bolam
Chairman Elect

8 April 1998

STATEMENT OF THE BOARD'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the Board to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Association and of the group and of the profit or loss of the group for that period. In preparing those accounts, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Board confirms that the accounts comply with the above requirements.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of British Insurance and Investment Brokers' Association Limited

We have audited the accounts on pages 5 to 13, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

Respective responsibilities of the Board and auditors

As described on page 3 the Board is responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

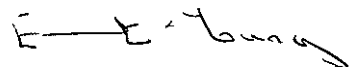
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the accounts, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Association and of the group as at 31 December 1997 and of the deficit of the Association and of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'E. Young', written over a horizontal line.

Ernst & Young
Chartered Accountants
Registered Auditor
London

8 April 1998

British Insurance and Investment Brokers' Association

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1997

	Notes	1997 £	1996 £
TURNOVER	2	2,280,166	2,531,586
OPERATING COSTS		(2,455,215)	(2,587,408)
OPERATING DEFICIT		(175,049)	(55,822)
Other income	4	85,110	82,857
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(89,939)	27,035
Tax on (deficit)/surplus on ordinary activities	6	(211)	(23,308)
RETAINED (DEFICIT)/SURPLUS FOR THE YEAR		(90,150)	3,727
Surplus brought forward		866,071	862,344
SURPLUS CARRIED FORWARD		775,921	866,071

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the retained deficit for the year.

British Insurance and Investment Brokers' Association

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1997

	Notes	1997 £	1996 £
TURNOVER	2	2,280,166	2,531,586
OPERATING COSTS		(2,454,200)	(2,586,494)
OPERATING DEFICIT		(174,034)	(54,908)
Other income	4	85,086	82,814
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(88,948)	27,906
Tax on (deficit)/surplus on ordinary activities	6	(211)	(23,308)
RETAINED (DEFICIT)/SURPLUS FOR THE YEAR		(89,159)	4,598
Surplus brought forward		863,602	859,004
SURPLUS CARRIED FORWARD		774,443	863,602

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

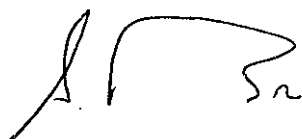
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British Insurance and Investment Brokers' Association

GROUP BALANCE SHEET

at 31 December 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible fixed assets	7	58,475	87,728
		<u>58,475</u>	<u>87,728</u>
CURRENT ASSETS			
Debtors	9	152,509	308,285
Cash at bank and in hand		1,244,849	1,235,812
		<u>1,397,358</u>	<u>1,544,097</u>
CREDITORS: amounts falling due within one year	10	679,912	765,754
NET CURRENT ASSETS		<u>717,446</u>	<u>778,343</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>775,921</u>	<u>866,071</u>
CAPITAL AND RESERVES			
Income and expenditure account		775,921	866,071
		<u>775,921</u>	<u>866,071</u>



S Bolam

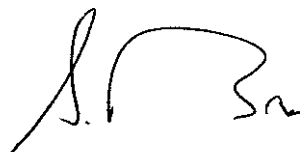
Chairman Elect

8 April 1998

British Insurance and Investment Brokers' Association

BALANCE SHEET at 31 December 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible fixed assets	7	58,475	87,728
Investments	8	-	-
		<u>58,475</u>	<u>87,728</u>
CURRENT ASSETS			
Debtors	9	152,509	308,285
Cash at bank and in hand		1,242,784	1,232,843
		<u>1,395,293</u>	<u>1,541,128</u>
CREDITORS: amounts falling due within one year	10	679,325	765,254
NET CURRENT ASSETS		<u>715,968</u>	<u>775,874</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>774,443</u>	<u>863,602</u>
CAPITAL AND RESERVES			
Income and expenditure account		774,443	863,602
		<u>774,443</u>	<u>863,602</u>



S Bolam

Chairman Elect

8 April 1998

NOTES TO THE ACCOUNTS

at 31 December 1997

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of BIIBA and its subsidiary BIIBA Agencies Limited.

Depreciation

Depreciation is calculated on a straight line basis at rates estimated to write down the value of assets to nil over their expected useful lives. The annual rates used are:

Furniture and equipment	- 25%
Computer equipment	- 33 1/3%
Motor vehicles	- 25%

Leasehold improvements have been written down to nil in prior years.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

Leased assets

All assets used by the company which are subject to leases are considered to be held under operating leases and the rentals in respect thereof are charged to the profit and loss account as incurred over the life of the lease.

Pension scheme costs

Pension scheme costs are charged to the profit and loss account over the employees' expected service lives. The company's contributions are made to an independent managed pension fund.

2. TURNOVER

Turnover comprises income receivable from subscriptions and other miscellaneous sources excluding interest. All turnover is attributable to BIIBA and arises from continuing operations.

	1997 £	1996 £
Subscriptions	1,535,030	1,579,050
Other miscellaneous income	745,136	952,536
	<u>2,280,166</u>	<u>2,531,586</u>

All turnover has been derived from the United Kingdom.

British Insurance and Investment Brokers' Association

NOTES TO THE ACCOUNTS

at 31 December 1997

3. STAFF NUMBERS AND COSTS

All staff costs are attributable to BIIBA:

	1997 £	1996 £
Wages and salaries	716,620	626,291
Social security costs	51,149	54,505
Other pension costs	35,267	59,228
	<u>803,036</u>	<u>740,024</u>

The average number of persons employed by the Association during the year was 26 (1996 - 28).

4. OTHER INCOME

	1997 £	1996 £
Interest receivable - attributable to BIIBA	85,086	82,814
- attributable to BIIBA Agencies	24	43
	<u>85,110</u>	<u>82,857</u>

5. (DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	1997 £	Group 1996 £	1997 £	Company 1996 £
Depreciation	47,548	50,949	47,548	50,949
Auditors' remuneration	13,925	11,500	13,250	11,000
Aggregate remuneration of auditors for services other than audit work	4,000	9,100	4,000	9,100
Operating lease charges				
- plant and machinery	12,744	18,085	12,744	18,085
- land and buildings	410,000	410,000	410,000	410,000
(Profit) on disposal of fixed assets	-	(3,966)	.	(3,966)
	<u></u>	<u></u>	<u></u>	<u></u>

British Insurance and Investment Brokers' Association

NOTES TO THE ACCOUNTS

at 31 December 1997

6. TAX ON (DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES

The charge for the year comprises:

	1997 £	1996 £
Corporation tax (credit)/charge at the applicable small business rate of 24¼ %	(13,368)	17,042
Adjustment relating to prior years	13,579	6,266
	<u>211</u>	<u>23,308</u>

The total charge is attributable to BIIBA.

7. TANGIBLE FIXED ASSETS

Group and Company

	Leasehold Improvements £	Furniture & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost:					
At 1 January 1997	133,479	267,801	66,455	62,145	529,880
Additions	-	3,413	62	14,820	18,295
At 31 December 1997	<u>133,479</u>	<u>271,214</u>	<u>66,517</u>	<u>76,965</u>	<u>548,175</u>
Depreciation:					
At 1 January 1997	133,479	212,722	65,859	30,092	442,152
Provided during the year	-	27,843	464	19,241	47,548
At 31 December 1997	<u>133,479</u>	<u>240,565</u>	<u>66,323</u>	<u>49,333</u>	<u>489,700</u>
Net book amounts:					
At 31 December 1997	<u>-</u>	<u>30,649</u>	<u>194</u>	<u>27,632</u>	<u>58,475</u>
At 1 January 1997	<u>-</u>	<u>55,079</u>	<u>596</u>	<u>32,053</u>	<u>87,728</u>

8. INVESTMENTS

The Association owns 100% of the ordinary share capital of BIIBA Agencies Limited, a company registered in England.

	1997 £	1996 £
Cost	10,000	10,000
Amounts provided	(10,000)	(10,000)
Net book value	<u>-</u>	<u>-</u>

British Insurance and Investment Brokers' Association

NOTES TO THE ACCOUNTS

at 31 December 1997

9. DEBTORS

	1997	Group 1996	1997	Company 1996
	£	£	£	£
Prepayments and accrued income	59,254	193,916	59,254	193,916
Other debtors	79,887	114,369	79,887	114,369
Corporation tax recoverable	13,368	-	13,368	-
	<u>152,509</u>	<u>308,285</u>	<u>152,509</u>	<u>308,285</u>

10. CREDITORS: amounts falling due within one year

	1997	Group 1996	1997	Company 1996
	£	£	£	£
Accruals and deferred income	540,111	626,761	539,524	626,261
Other creditors	86,551	74,023	86,551	74,023
Corporation tax	-	17,042	-	17,042
Other tax and social security	53,250	47,928	53,250	47,928
	<u>679,912</u>	<u>765,754</u>	<u>679,325</u>	<u>765,254</u>

11. PENSION SCHEME

The Association operates a funded defined benefit pension scheme.

The contributions to the scheme are determined with the advice of a professionally qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation, which was performed as at 1 January 1996, used the principal assumptions that the rate of investment return exceeded the rate of salary increase by 1.5%.

Market value of scheme's assets	£1,215,860
Level of funding	153%

The surplus is being recognised as a variation from regular cost over the expected remaining lives of the scheme members.

The unpaid contributions outstanding at the end of the year, included in 'other creditors' (note 10) are £Nil (1996 - £12,755).

British Insurance and Investment Brokers' Association

NOTES TO THE ACCOUNTS

at 31 December 1997

12. LEASING COMMITMENTS

The total amounts payable during the following year in respect of operating leases which expire within:

	1997 £	1996 £
One year	2,938	-
Two to five years	9,806	18,085
More than five years	410,000	410,000
	<u>422,744</u>	<u>428,085</u>

The commitment in respect of operating leases which expire after more than five years is in respect of leasehold property.

A proportion of the lease payment is recoverable from sub-tenants.

THE FOLLOWING STATEMENTS DO NOT FORM PART
OF THE AUDITED STATUTORY ACCOUNTS

British Insurance and Investment Brokers' Association

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 1997

	1997 £	1996 £
INCOME		
Subscriptions	1,535,030	1,579,050
Interest	85,086	82,814
Seminars and courses	20,550	10,493
Annual conference	369,568	544,658
Sundry sales	19,567	22,481
Other income	302	9,504
Premises income	135,165	134,036
Schemes income	84,302	77,364
YTS management income	82,202	114,000
I.F.A.A. management fee	33,480	40,000
Total income	2,365,252	2,614,400
EXPENDITURE		
Staff pay, NI and pensions	803,036	744,205
Temporary and casual staff	13,855	6,895
Staff recruitment	8,109	2,640
Motor expenses	5,713	6,598
Rent, rates and services	531,692	547,925
Postage and despatch	29,004	44,627
Telephone	16,752	19,057
Printing and stationery	39,586	77,771
Audit fees	17,250	11,000
Legal and professional fees	9,736	11,947
Consultancy fees	17,100	34,858
Advertising and PR	129,361	103,762
Travel, subsistence and entertaining	28,292	25,375
Bank charges	1,925	1,965
Council and committee expenses	44,320	37,721
Seminars and courses	24,371	6,343
Annual conference	315,558	431,552
Insurance	37,212	39,981
Equipment maintenance and rental	54,292	52,987
Books and periodicals	6,352	7,881
Subscriptions, contributions and donations	64,206	53,666
Tea and coffee	-	3,094
Carried forward	2,197,722	2,271,850

British Insurance and Investment Brokers' Association

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 December 1997 (continued)

	1997 £	1996 £
Brought forward	2,197,722	2,271,850
Premises maintenance	43,388	31,057
Dining room	12,123	9,397
(Profit) on sale of assets	-	(3,966)
Non-recoverable VAT	51,180	55,955
Depreciation - furniture and equipment	27,843	34,563
Depreciation - computer equipment	464	850
Depreciation - motor vehicles	19,241	15,536
I.F.A.A.	102,239	171,252
	<u>2,454,200</u>	<u>2,586,494</u>
(DEFICIT)/SURPLUS BEFORE TAXATION	<u><u>(88,948)</u></u>	<u><u>27,906</u></u>