

GENERAL INSURANCE BROKERS (UK) PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Company Registration No 02106087 (England and Wales)

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GENERAL INSURANCE BROKERS (UK) PLC

COMPANY INFORMATION

Directors	Sameer Mirza Rahail Mirza
Secretary	Rahail Mirza
Company number	02106087
Registered office	298/300 Preston Road Harrow Middlesex HA3 0QB
Auditors	Charterhouse (Accountants) LLP 88-98 College Road Harrow Middlesex HA1 1RA
Business address	90 Bishops Bridge Road London W2 5AA
Solicitors	W R Burrows & Son 298/300 Preston Road Harrow Middlesex HA3 0QB

GENERAL INSURANCE BROKERS (UK) PLC

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GENERAL INSURANCE BROKERS (UK) PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities and review of the business

The principal activity of the company in the year under review continued to be that of insurance brokers

The directors consider the profit achieved on ordinary activities before taxation to be satisfactory. The company is adequately placed to take advantage of business opportunities, and the directors consider the state of affairs to be satisfactory.

The key financial highlights are as follows

	2011	2010
	£	£
Turnover	1,296,196	1,147,766
Profit before tax	752,652	665,006

Financial Risk Management

The company's principal financial instruments comprise bank balances and trade creditors. The main purpose of these instruments is to finance the company's trading activities.

Due to the nature of the financial instruments used there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is described below.

In respect of bank balances, the liquidity risk is managed by maintaining sufficient balances in liquid form for the immediate and future needs of the company.

Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

Results and dividends

The results for the year are set out on page 5.

Future developments

The directors expect the continuation of organic growth and new business growth.

Directors

The following directors have held office since 1 January 2011:

Sameer Mirza
Rahail Mirza

Political and charitable donations	2011	2010
	£	£

During the year the company made the following payments:

Political donations to EU parties and organisations	-	2,715
Charitable donations	15,000	15,100

Creditor payment policy

It is the company's policy that the payments to suppliers are made substantially in accordance with those terms and conditions made between the company and its suppliers, provided that all trading terms and conditions are complied with.

GENERAL INSURANCE BROKERS (UK) PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Rahail Mirza

Director

Date

17/6/12

GENERAL INSURANCE BROKERS (UK) PLC

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GENERAL INSURANCE BROKERS (UK) PLC

We have audited the financial statements of General Insurance Brokers (UK) Plc for the year ended 31 December 2011 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GENERAL INSURANCE BROKERS (UK) PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF GENERAL INSURANCE BROKERS (UK) PLC

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



B Cross (Senior Statutory Auditor)

for and on behalf of Charterhouse (Accountants) LLP
Statutory Auditor

Date

27/6/12

Chartered Accountants

Charterhouse (Accountants) LLP

88-98 College Road

Harrow

Middlesex

HA1 1RA

GENERAL INSURANCE BROKERS (UK) PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	1,296,196	1,147,766
Cost of sales		(13,700)	(19,833)
Gross profit		1,282,496	1,127,933
Administrative expenses		(555,825)	(467,753)
Operating profit	3	726,671	660,180
Other interest receivable and similar income	4	25,981	10,413
Interest payable and similar charges	5	-	(5,587)
Profit on ordinary activities before taxation		752,652	665,006
Tax on profit on ordinary activities	6	(193,405)	(178,269)
Profit for the year	14	559,247	486,737

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

GENERAL INSURANCE BROKERS (UK) PLC

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	8		209,873		150,229
Current assets					
Debtors	9	332,631		294,916	
Cash at bank and in hand		4,263,636		4,586,321	
		<u>4,596,267</u>		<u>4,881,237</u>	
Creditors amounts falling due within one year	10	<u>(3,302,923)</u>		<u>(4,092,713)</u>	
Net current assets			<u>1,293,344</u>		<u>788,524</u>
Total assets less current liabilities			<u>1,503,217</u>		<u>938,753</u>
Provisions for liabilities	11		<u>(10,211)</u>		<u>(4,994)</u>
			<u>1,493,006</u>		<u>933,759</u>
Capital and reserves					
Called up share capital	13		50,000		50,000
Profit and loss account	14		1,443,006		883,759
Shareholders' funds	15		<u>1,493,006</u>		<u>933,759</u>

Approved by the Board and authorised for issue on

27/6/12



Sameer Mirza
Director

Company Registration No. 02106087

GENERAL INSURANCE BROKERS (UK) PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		97,696		1,447,003
Returns on investments and servicing of finance				
Interest received	25,981		9,417	
Interest paid	-		(5,587)	
Net cash inflow for returns on investments and servicing of finance		25,981		3,830
Taxation		(317,930)		(201,474)
Capital expenditure				
Payments to acquire tangible assets	(71,688)		(36,228)	
Net cash outflow for capital expenditure		(71,688)		(36,228)
Equity dividends paid		-		(500,000)
Net cash (outflow)/inflow before management of liquid resources and financing		(265,941)		713,131
(Decrease)/increase in cash in the year		(265,941)		713,131

GENERAL INSURANCE BROKERS (UK) PLC

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

1	Reconciliation of operating profit to net cash inflow from operating activities		2011	2010
			£	£
	Operating profit		726,671	660,180
	Depreciation of tangible assets		12,044	8,373
	Increase in debtors		(37,715)	(41,200)
	(Decrease)/Increase in creditors within one year		(603,304)	819,650
	Net cash inflow from operating activities		97,696	1,447,003

2	Analysis of net funds	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	4,586,321	(322,685)	-	4,263,636
	Bank overdrafts	(56,744)	56,744	-	-
		4,529,577	(265,941)	-	4,263,636
	Bank deposits	-	-	-	-
	Net funds	4,529,577	(265,941)	-	4,263,636

3	Reconciliation of net cash flow to movement in net funds	2011	2010
		£	£
	(Decrease)/increase in cash in the year	(265,941)	713,131
	Movement in net funds in the year	(265,941)	713,131
	Opening net funds	4,529,577	3,816,446
	Closing net funds	4,263,636	4,529,577

GENERAL INSURANCE BROKERS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents brokerage, commission and other fees receivable

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 less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	over 40 years
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% reducing balance

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Pensions

The company operates money purchase (defined contribution) pension schemes. Contributions made to these schemes are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

GENERAL INSURANCE BROKERS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

3	Operating profit	2011	2010
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	12,044	8,373
	Loss on foreign exchange transactions	7,884	-
	Fees payable to the company's auditor for the audit of the company's annual accounts	7,364	7,094
	Remuneration of auditors for non-audit work	1,971	9,776
	and after crediting		
	Profit on foreign exchange transactions	-	(6,109)
		<u></u>	<u></u>
4	Investment income	2011	2010
		£	£
	Bank interest	25,981	9,417
	Other interest	-	996
		<u></u>	<u></u>
		25,981	10,413
		<u></u>	<u></u>
5	Interest payable	2011	2010
		£	£
	On overdue tax	-	5,587
		<u></u>	<u></u>

GENERAL INSURANCE BROKERS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

6	Taxation	2011 £	2010 £
	Domestic current year tax		
	U K corporation tax	186,099	185,591
	Adjustment for prior years	2,089	(10,175)
	Total current tax	188,188	175,416
	Deferred tax		
	Deferred tax charge credit current year	5,217	2,853
		193,405	178,269
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	752,652	665,006
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.50% (2010 - 28.00%)	199,453	186,202
	Effects of		
	Depreciation add back	11,544	8,373
	Capital allowances	(22,870)	(10,608)
	Other tax adjustments	61	(8,551)
		(11,265)	(10,786)
	Current tax charge for the year	188,188	175,416
7	Dividends	2011 £	2010 £
	Ordinary interim paid	-	500,000

GENERAL INSURANCE BROKERS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

8 Tangible fixed assets

	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2011	145,422	114,625	13,980	274,027
Additions	49,399	22,289	-	71,688
At 31 December 2011	194,821	136,914	13,980	345,715
Depreciation				
At 1 January 2011	23,842	87,259	12,697	123,798
Charge for the year	4,275	7,448	321	12,044
At 31 December 2011	28,117	94,707	13,018	135,842
Net book value				
At 31 December 2011	166,704	42,207	962	209,873
At 31 December 2010	121,580	27,366	1,283	150,229

Leasehold land and buildings consists of long leasehold premises

9 Debtors	2011 £	2010 £
Other debtors	9,802	17,000
Prepayments and accrued income	322,829	277,916
	332,631	294,916

GENERAL INSURANCE BROKERS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

10 Creditors amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	-	56,744
Trade creditors	2,936,759	3,416,315
Corporation tax	55,849	185,591
Other taxes and social security costs	9,352	8,601
Directors' current accounts	-	125,000
Other creditors	7,127	7,127
Accruals and deferred income	293,836	293,335
	<u>3,302,923</u>	<u>4,092,713</u>

11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2011	4,994
Profit and loss account	5,217
	<u>10,211</u>
Balance at 31 December 2011	<u>10,211</u>

The deferred tax liability is made up as follows

	2011 £	2010 £
Accelerated capital allowances	<u>10,211</u>	<u>4,994</u>

12 Pension and other post-retirement benefit commitments Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	<u>2,400</u>	<u>2,400</u>

GENERAL INSURANCE BROKERS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

13 Share capital	2011	2010
	£	£
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000

14 Statement of movements on profit and loss account

Profit and
loss
account
£

Balance at 1 January 2011	883,759
Profit for the year	559,247
Balance at 31 December 2011	1,443,006

15 Reconciliation of movements in shareholders' funds	2011	2010
	£	£
Profit for the financial year	559,247	486,737
Dividends	-	(500,000)
Net addition to/(depletion in) shareholders' funds	559,247	(13,263)
Opening shareholders' funds	933,759	947,022
Closing shareholders' funds	1,493,006	933,759

16 Directors' remuneration	2011	2010
	£	£
Remuneration for qualifying services	110,000	110,000
Company pension contributions to defined contribution schemes	1,200	1,200
	111,200	111,200

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2010 - 1)

GENERAL INSURANCE BROKERS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Administration	12	11

Employment costs

	2011 £	2010 £
Wages and salaries	295,452	258,604
Social security costs	29,918	26,009
Other pension costs	2,400	2,400
	327,770	287,013

18 Control

The ultimate controlling party is Mr S Mirza by virtue of his ownership of 65% of the issued share capital

19 Related party relationships and transactions

Mrs M J Zaidi, the directors' sister, holds the freehold title in respect of the company's property held on a long leasehold agreement. During the year ground rent of £1,000 (2010 £1,000) was payable to her on an arms length basis.

Included in other creditors is a balance of £7,127 (2010 £7,127) owed to the Company's funded unapproved retirement benefit scheme.

The company occupies a building owned by the directors and their immediate families. During the year rent of £19,950 (2010 £6,600) was payable to the directors and their immediate families on an arms length basis.