

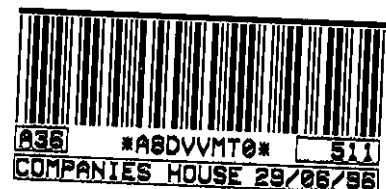
COMPANY NUMBER 02106087

GENERAL INSURANCE BROKERS
(BAYSWATER) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1995

G H WALA & CO

Chartered Accountants
6 Helena Road
London
W5 2RA



GENERAL INSURANCE BROKERS
(BAYSWATER) LIMITED

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The following does not form part of the
statutory accounts

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GENERAL INSURANCE BROKERS
(BAYSWATER) LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

Directors:

Sameer Mirza
Rahail Mirza

Secretary:

Rahail Mirza

Registered Office:

298/300 Preston Road
Harrow
Middlesex
HA3 OBQ

Auditors:

G H Wala & Co
Chartered Accountants
6 Helena Road
London
W5 2RA

Solicitors:

W R Burrows & Son
298/300 Preston Road
Harrow
Middlesex
HA3 0QB

Bankers:

National Westminster Bank
71 Bishops Bridge Road
London W2 6BQ

The Royal Bank of Scotland
78 Notting Hill Gate
London W11 3HS

Company Registration No:

02106087

DIRECTORS REPORT

The directors present their report to the members, together with audited annual accounts for the year ended 31 December 1995.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounts to £54,732 (1994-42,241). The directors recommend a final dividend for 1995 of £1.50 net (1994: £1 net) per ordinary share of £1 each being the total for the year, if approved, will be paid on 8 May 1996. The resultant retained profit of £24,732 will be added to reserves. (1994 -£22,241).

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of insurance broking.

FIXED ASSETS

The movements in fixed assets are set out in note 9 to the accounts.

DIRECTORS

The directors of the company and their interest in the shares of the company is set out below. There were no changes in the composition of the board of directors during the period.

	<u>Ordinary shares of £1 each</u>	
	<u>31 12 95</u>	<u>31 12 94</u>
Mr Sameer Mirza	13,000	13,000
Mr Rahail Mirza	5,100	5,100

DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

- *select suitable accounting policies and apply them consistently;
- *make judgements 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 to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

GENERAL INSURANCE BROKERS
(BAYSWATER) LIMITED

DIRECTORS REPORT - Continued

AUDITORS

The auditors Messrs G H Wala & Co., have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming Annual General Meeting.

Approved by the board of directors on 9 April 1996.

By Order of the Board

Mr R Mirza  [Secretary]

AUDITORS REPORT

Auditors report to the members of

GENERAL INSURANCE BROKERS

(BAYSWATER) LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

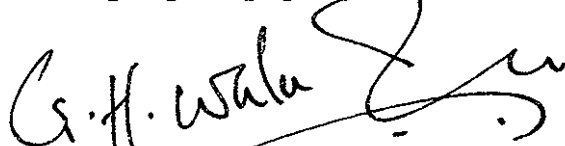
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of financial statements, and whether the accounting policies are appropriate to the company'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 financial statements are free from material misstatements, 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 financial statements.

Opinion

In our opinion financial statements give a true and fair view of the state of affairs of the company at 31 December 1995 and of the profit, total recognised gains and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



G H WALA & CO
Chartered Accountants and
Registered Auditors

6 Helena Road
London W5 2RA
9 April 1996

GENERAL INSURANCE BROKERS
(BAYSWATER) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1995

Notes

	<u>1195</u>	<u>1994</u>
1(b) <u>TURNOVER</u>	176,181	170,308
2 Other operating income	<u>17,085</u>	<u>7,570</u>
	193,266	177,878
Trading expenses	(<u>120,053</u>)	(<u>121,290</u>)
3 Operating profit on ordinary activities before taxation	73,213	56,588
5 Corporation tax	(<u>18,481</u>)	(<u>14,347</u>)
Profit on ordinary activities after taxation	54,732	42,241
4 Dividends proposed	(<u>30,000</u>)	(<u>20,000</u>)
Retained profit for the year	24,732	22,241
Retained profit brought forward	<u>158,247</u>	<u>136,006</u>
Retained profit carried forward	<u>£182,979</u>	<u>£158,247</u>

Statement of total recognised gains and losses

	<u>1995</u>	<u>1994</u>
Profit for the financial year	54,732	42,241
Currency translation difference	<u>758</u>	<u>(646)</u>
Total recognised gains for the year	<u>55,490</u>	<u>41,595</u>

There have been no discontinued activities or acquisitions in the current or preceding accounting period.

GENERAL INSURANCE BROKERS
(BAYSWATER) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 1995

Notes

	<u>FIXED ASSETS</u>	<u>1995</u>	<u>1994</u>
9	Tangible Assets	97,961	105,013
	<u>CURRENT ASSETS</u>		
6	Debtors	13,694	8,252
8	Cash at Bank and in Hand	<u>397,070</u> <u>410,764</u>	<u>276,904</u> <u>285,156</u>
	<u>CURRENT LIABILITIES</u>		
10	Creditors: Amounts falling due within one year	<u>305,746</u> <u>305,746</u>	<u>211,922</u> <u>211,922</u>
	<u>NET CURRENT ASSETS</u>	<u>105,018</u> <u>£202,979</u>	<u>73,234</u> <u>£178,247</u>
	<u>CAPITAL AND RESERVE</u>		
7	Called up Share Capital	20,000	20,000
13	Profit and Loss Account	<u>182,979</u> <u>£202,979</u>	<u>158,247</u> <u>£178,247</u>

The notes on pages 7 to 9 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 9 April 1996, and are signed on its behalf by:

Director: ...  [S Mirza]

GENERAL INSURANCE BROKERS
(BAYSWATER) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

1. Accounting Policies

(a) Basis of accounting

The financial statements are prepared under the historical cost convention.

(b) Revenue and expense recognition

Turnover

Turnover represents brokerage and fees which are taken to credit and debit when fee notes are issued irrespective of the inception date or period of insurance. Alterations in brokerage arising from return and additional premiums and adjustments are taken into account as and when these occur.

(c) Depreciation

Depreciation is provided on net book value of the assets at the following rates.

Motor Vehicles	25%
Furniture & Equipment	15%
Leasehold Premises	1%

(d) Foreign Currency Transaction

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling on the balance sheet date. The revenue and costs are translated in to sterling at the average rate of exchange for the period. Differences arising thereon of such items are dealt with in the profit and loss account.

(e) Deferred Taxation

The charge for taxation is based on the profit for the year as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is possible that a liability or asset will crystallise. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise.

(f) Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Other Operating Income	<u>1995</u>	<u>1994</u>
Interest Receivable	16,327	8,216
Exchange Gains/(Loss)	<u>758</u>	<u>(646)</u>
	<u>17,085</u>	<u>7,570</u>

GENERAL INSURANCE BROKERS
(BAYSWATER) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

3.	Profit on Ordinary Activities	<u>1995</u>	<u>1994</u>		
	The profit on ordinary activities is stated after charging:				
	Depreciation	7,482	9,355		
	Profit on sale of Car	-	(1,389)		
	Directors Emoluments	18,834	21,336		
	Directors Pension	2,400	4,332		
	Auditors Remuneration	2,600	2,300		
		<u> </u>	<u> </u>		
4.	Dividends				
	Proposed final dividend of £1.50				
	(1994: £1) per Share	30,000	20,000		
		<u> </u>	<u> </u>		
5.	Taxation				
	Corporation Tax	18,481	14,347		
		<u> </u>	<u> </u>		
6.	Debtors				
	Prepayments	6,194	3,252		
	Advance Corporation Tax	7,500	5,000		
		<u>13,694</u>	<u>8,252</u>		
		<u> </u>	<u> </u>		
7.	Share Capital				
	Authorised: Ordinary shares of £1 each	20,000	20,000		
	Issued and fully paid: Ordinary shares				
	of £1 each	20,000	20,000		
		<u> </u>	<u> </u>		
8.	Cash at Bank and in Hand				
	Cash at bank and in hand	123,352	41,753		
	Call and short term deposit	273,718	235,151		
		<u>397,070</u>	<u>276,904</u>		
		<u> </u>	<u> </u>		
9.	Fixed Assets				
		<u>Leasehold</u>	<u>Motor</u>	<u>Office</u>	<u>Total</u>
		<u>Premises</u>	<u>Vehicles</u>	<u>Furnit. & Equip.</u>	
	At Cost 1. 1. 95	75,393	27,860	60,334	163,587
	Addition	-	-	430	430
	Disposal	-	-	-	-
	At 31 12 95	<u>75,393</u>	<u>27,860</u>	<u>60,764</u>	<u>164,017</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Depreciation				
	Balance 1. 1. 95	2,239	8,775	47,560	58,574
	Disposal	-	-	-	-
	Charge in year	<u>731</u>	<u>4,771</u>	<u>1,980</u>	<u>7,482</u>
	At 31. 12. 95	<u>2,970</u>	<u>13,546</u>	<u>49,540</u>	<u>66,056</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>BOOK VALUE</u>				
	At 31 December 1995	<u>72,423</u>	<u>14,314</u>	<u>11,224</u>	<u>97,961</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At 31 December 1994	<u>73,154</u>	<u>19,085</u>	<u>12,774</u>	<u>105,013</u>

GENERAL INSURANCE BROKERS
(BAYSWATER) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995

10. Creditors: Amounts falling due within one year	<u>1995</u>	<u>1994</u>
Insurance Creditors	242,953	172,062
Corporation Tax	13,481	8,540
Other Taxation	10,311	6,973
Dividends	30,000	20,000
Accruals and Deferred Income	<u>9,001</u>	<u>4,347</u>
	<u>305,746</u>	<u>211,922</u>
11. Client Accounts		
Client account balances	163,021	95,254
Client monies at bank	<u>(163,021)</u>	<u>(95,254)</u>
	<u>-</u>	<u>-</u>
12. Reconciliation of operating profit to net cash flow from operating activities		
Operating Profit	56,886	48,372
Depreciation of tangible fixed assets	7,482	9,355
Decrease\ (increase) in debtors	(5,442)	(1,505)
Increase\ (decrease) in trade creditors	70,891	25,776
Increase\ (decrease) in taxes and social security	3,338	(306)
Increase\ (decrease) in other creditors and accruals	4,654	(5,745)
Profit on disposal of fixed assets	<u>-</u>	<u>(1,389)</u>
	<u>137,809</u>	<u>74,558</u>
Cash and Cash Equivalents		
Changes during the year		
At 31 December 1994	276,904	251,014
Net cash inflow\ (outflow)	<u>120,166</u>	<u>25,890</u>
At 31 December 1995	<u>397,070</u>	<u>276,904</u>
13. Reconciliation of movements in shareholders' funds		
Profit for the financial year	54,732	42,241
Dividends	<u>(30,000)</u>	<u>(20,000)</u>
Net increase in shareholders' funds	24,732	22,241
Opening shareholders' funds	<u>158,247</u>	<u>136,006</u>
Closing shareholders' funds	<u>182,979</u>	<u>158,247</u>
14. Capital commitments and contingencies		
There are no capital commitments and contingencies at the year end (last year fNil).		

GENERAL INSURANCE BROKERS
(BAYSWATER) LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 1995

<u>Notes</u>	<u>1995</u>	<u>1994</u>
12. Net cash flow from operating activities	<u>137,809</u>	<u>74,558</u>
Returns on investments and servicing finance		
Dividends paid	(20,000)	(20,000)
Interest Received	<u>16,327</u>	<u>8,216</u>
Net cash outflow from returns on investment and servicing of finance	(<u>3,673</u>)	(<u>11,784</u>)
Taxation		
Tax Paid	(<u>13,540</u>)	(<u>20,393</u>)
Investing Activities		
Sale of tangible fixed assets	-	22,000
Purchase of tangible fixed assets	(<u>430</u>)	(<u>38,491</u>)
Net cash inflow\ (outflow) before financing	<u>120,166</u>	<u>25,890</u>
12. Increase\ (decrease) in cash and cash equivalent	<u>120,166</u>	<u>25,890</u>
	<u>120,166</u>	<u>25,890</u>