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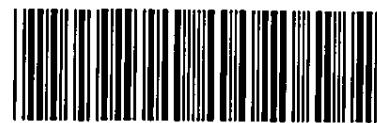
Company Number 852888

Brooks Braithwaite & Company Limited

Financial Statements

For the year ended 31st December 2007

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Brooks Braithwaite & Company Limited

Financial Statements

For the year ended 31st December 2007

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Brooks Braithwaite & Company Limited

Company Information

The board of directors	R D Brooks G Brooks M Brooks
Company secretary	G Brooks
Registered office	5, Chequers, High Street, Ingatestone, Essex, CM4 ODG
Registered number	852888
Auditor	Benjamin, Taylor & Co , Chartered Accountants & Registered Auditors 5, Wigmore Street, London W1U 1HY
Bankers	National Westminster Bank Plc, 19, Shaftesbury Avenue, London, W1A 4QQ

Brooks Braithwaite & Company Limited

The Directors' Report

For the year ended 31st December 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2007

Principal Activities

The principal activity of the company continued to be that of insurance brokers

Directors

The directors who served the company during the year were as follows

R D Brooks

G Brooks

M Brooks

Directors' Responsibilities

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 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 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information

Auditor

A resolution to re-appoint Benjamin, Taylor & Co, as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Brooks Braithwaite & Company Limited

The Directors' Report *(continued)*

For the year ended 31st December 2007

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Signed by order of the directors



G Brooks
Company Secretary

Approved by the directors on 19th May 2008

**Independent Auditor's Report to the Shareholders of
Brooks Braithwaite & Company Limited
For the year ended 31st December 2007**

We have audited the financial statements of Brooks Braithwaite & Company Limited for the year ended 31st December 2007, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on pages 8 to 10

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of 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 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 financial statements.

**Independent Auditor's Report to the Shareholders of
Brooks Braithwaite & Company Limited**

For the year ended 31st December 2007

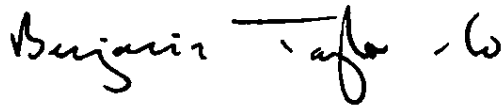
Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31st December 2007 and of its loss for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements



Benjamin, Taylor & Co ,
Chartered Accountants
& Registered Auditors

5, Wigmore Street,
London W1U 1HY

19th May 2008

Brooks Braithwaite & Company Limited

Profit and Loss Account

For the year ended 31st December 2007

		2007	2006
	Note	£	£
Turnover	2	724,391	788,386
Cost of sales		(180,490)	(149,674)
Gross Profit		543,901	638,712
Administrative expenses		(566,495)	(596,819)
Other operating income	3	3,991	3,700
Operating (Loss)/Profit	4	(18,603)	45,593
Income from fixed asset investments	5	266	29
Interest receivable and similar income	6	8,227	8,384
Amounts written off investments	7	—	(24,076)
Interest payable and similar charges		(1,525)	(2,540)
(Loss)/Profit on Ordinary Activities Before Taxation		(11,635)	27,390
Tax on (loss)/profit on ordinary activities	8	(94)	(14,725)
(Loss)/Profit for the Financial Year		(11,729)	12,665

The notes on pages 8 to 17 form part of these financial statements

Brooks Braithwaite & Company Limited

Balance Sheet

As at 31st December 2007

	Note	2007 £	£	2006 £	£
Fixed Assets					
Tangible assets	10		71,335		99,785
Investments	11		21,862		22,069
			<u>93,197</u>		<u>121,854</u>
Current Assets					
Debtors	13	757,000		373,793	
Cash at bank		206,552		327,458	
		<u>963,552</u>		<u>701,251</u>	
Creditors: Amounts Falling due Within One Year	14	989,761		717,466	
Net Current Liabilities			(26,209)		(16,215)
Total Assets Less Current Liabilities			66,988		105,639
Creditors: Amounts Falling due after More than One Year	15		—		12,122
			<u>66,988</u>		<u>93,517</u>
Capital and Reserves					
Called-up equity share capital	19		1,000		1,000
Revaluation reserve			29,802		29,802
Profit and loss account	20		36,186		62,715
Shareholders' Funds	21		<u>66,988</u>		<u>93,517</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

These financial statements were approved by the directors and authorised for issue on 19th May 2008, and are signed on their behalf by

R D Brooks

G Brooks

The notes on pages 8 to 17 form part of these financial statements

Brooks Braithwaite & Company Limited

Notes to the Financial Statements

For the year ended 31st December 2007

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts

Turnover

Turnover represents insurance policies issued by the company during the year

Fixed Assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold land and buildings	- 10% on cost
Computer equipment	- 33 1/3% on cost
Investment properties	- not depreciated
Furniture and equipment	- 15% on cost

Investment Properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year

This is in accordance with the FRSSE which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view

Hire Purchase Agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Brooks Braithwaite & Company Limited

Notes to the Financial Statements

For the year ended 31st December 2007

1 Accounting Policies (continued)

Finance Lease Agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension Costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Brooks Braithwaite & Company Limited

Notes to the Financial Statements

For the year ended 31st December 2007

1 Accounting Policies *(continued)*

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Income from Investments

Investment income comprises dividends declared during the accounting period and interest receivable on listed and unlisted investments.

Investments

Investments are included at cost. Profits or losses arising from disposals of fixed assets investments are treated as part of the result from ordinary activities.

Insurance Debtors and Creditors

The company acts as agent in broking the insurable risks of clients and normally is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationship with clients and underwriters, the company has followed generally accepted accounting practice for insurance brokers by showing debtors, creditors and cash balances relating to insurance business as assets and liabilities of the company itself. This recognises that the company is entitled to retain the investment income on any cash flows arising from these transactions.

In the ordinary course of insurance broking business, settlement is required to be made with certain market settlement bureaux, insurance intermediaries or insurance companies on the basis of the net balance due to or from them rather than the amounts due to or from the individual third parties which it represents.

However, under Financial Reporting Standard 5 ('FRS5'), assets and liabilities may not be offset unless net settlement is legally enforceable and, therefore, insurance debtors and creditors are shown gross within these financial statements.

2 Turnover

The turnover and operating (loss)/profit for the year was derived from the company's principal activity and was carried out wholly in the UK.

3 Other Operating Income

	2007	2006
	£	£
Rent receivable	3,000	3,000
Management charges receivable	700	700
Profit on sale of investments	291	-
	<u>£3,991</u>	<u>£3,700</u>

Brooks Braithwaite & Company Limited

Notes to the Financial Statements

For the year ended 31st December 2007

4 Operating (Loss)/Profit

Operating (loss)/profit is stated after charging/(crediting)

	2007	2006
	£	£
Depreciation of owned fixed assets	5,658	7,190
Depreciation of assets held under hire purchase and finance lease agreements	16,500	16,500
Auditor's fees	14,864	16,626
Operating lease costs		
Land and buildings	22,325	21,738
Vehicles	13,253	11,933
Net (profit)/loss on foreign currency translation	<u>(1,793)</u>	<u>11,513</u>

5. Income from Fixed Asset Investments

	2007	2006
	£	£
Dividends received	<u>266</u>	<u>29</u>

6. Interest Receivable and Similar Income

	2007	2006
	£	£
Bank interest receivable	8,216	8,377
Other similar income receivable	11	7
	<u>£8,227</u>	<u>£8,384</u>

7 Amounts Written Off Investments

	2007	2006
	£	£
Amount written off investments	<u>-</u>	<u>24,076</u>

8 Taxation on Ordinary Activities

Analysis of charge in the year

	2007	2006
	£	£
Current tax		
UK Corporation tax based on the results for the year at 19% (2006 - 19%)	94	14,725
Total current tax	<u>£94</u>	<u>£14,725</u>

Brooks Braithwaite & Company Limited

Notes to the Financial Statements

For the year ended 31st December 2007

9. Dividends

Equity dividends

	2007 £	2006 £
Paid		
Equity dividends on ordinary shares	<u>14,800</u>	<u>57,750</u>

10. Tangible Fixed Assets

	Computer Equipment £	Motor Vehicles £	Furniture and Equipment £	Investment properties £	Total £
Cost or Valuation					
At 1 January 2007	12,853	67,064	28,691	45,000	153,608
Additions	1,923	–	4,285	–	6,208
Disposals	(7,941)	(36,715)	(9,584)	–	(54,240)
At 31 December 2007	<u>6,835</u>	<u>30,349</u>	<u>23,392</u>	<u>45,000</u>	<u>105,576</u>
Depreciation					
At 1 January 2007	10,653	23,364	19,806	–	53,823
Charge for the year	2,268	16,500	3,390	–	22,158
On disposals	(7,941)	(24,215)	(9,584)	–	(41,740)
At 31 December 2007	<u>4,980</u>	<u>15,649</u>	<u>13,612</u>	<u>–</u>	<u>34,241</u>
Net Book Value					
At 31 December 2007	<u>1,855</u>	<u>14,700</u>	<u>9,780</u>	<u>45,000</u>	<u>71,335</u>
At 31 December 2006	<u>2,200</u>	<u>43,700</u>	<u>8,885</u>	<u>45,000</u>	<u>99,785</u>

Asset Revaluations

The investment property was valued at £45,000 on 9th December 2005, on an open market value basis by W Rock MRICS of Nicolsons Estate Agents Limited

If freehold land and buildings had not been revalued they would have been included at the following amounts -

	2007 £	2006 £
Cost	<u>15,198</u>	<u>15,198</u>

The potential deferred tax, not provided for in these accounts, should the property be sold at its revalued amount would be £5,662 (2006 £5,662) This assumes a corporation tax rate of 19%

Brooks Braithwaite & Company Limited

Notes to the Financial Statements

For the year ended 31st December 2007

Hire purchase and finance lease agreements

Included within the net book value of £71,335 is £Nil (2006 - £21,500) relating to assets held under hire purchase agreements, and £14,700 (2006 - £22,200) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £9,000 (2006 - £9,000), and £7,500 (2006 - £7,500) in respect of assets held under finance lease agreements.

11. Investments

	Shares in Group Undertakings £	Investments Other Than Loans £	Total £
Cost			
At 1st January 2007	10,000	12,069	22,069
Disposals	-	(207)	(207)
At 31st December 2007	<u>10,000</u>	<u>11,862</u>	<u>21,862</u>
Net Book Value			
At 31st December 2007	<u>10,000</u>	<u>11,862</u>	<u>21,862</u>
At 31st December 2006	<u>10,000</u>	<u>12,069</u>	<u>22,069</u>
Investments Other Than Loans			
	2007 £		2006 £
The market value of listed investments at 31st December 2007 was	<u>1,898</u>		<u>1,310</u>

Brooks Braithwaite & Company Limited

Notes to the Financial Statements

For the year ended 31st December 2007

12 Principal Fixed Asset Investment

The company owns more than 20% of the issued share capital of the companies listed below

	Holding	Proportion held	Nature of business
Principal subsidiary undertaking			
Brooks Braithwaite Management Services Limited	Ordinary shares	100%	Financial advisors

The aggregate capital and reserves and profit/(loss) for the year of the subsidiaries is shown below

	2007 £	2006 £
Aggregate capital and reserves		
Brooks Braithwaite Management Services Limited	9,755	9,646
Profit and (loss) for the year		
Brooks Braithwaite Management Services Limited	109	669

Consolidation

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity

13 Debtors

	2007 £	2006 £
Insurance broking debtors	746,660	313,425
Other debtors	2,012	52,213
Directors current accounts	—	823
Prepayments and accrued income	8,328	7,332
	<u>£757,000</u>	<u>£373,793</u>

The directors loan account is interest free and repayable on demand

Brooks Braithwaite & Company Limited

Notes to the Financial Statements

For the year ended 31st December 2007

14 Creditors: Amounts Falling due Within One Year

	2007	2006
	£	£
Amounts owed to group undertakings	10,000	10,000
Other creditors including taxation and social security		
Taxation and social security	19,955	39,174
Hire purchase and finance lease agreements	6,432	11,285
Insurance broking creditors	712,936	440,440
Directors Remuneration	41,000	41,000
Directors current accounts	14,299	—
Other creditors	41,174	90,458
Accruals and deferred income	143,965	85,109
	<u>£989,761</u>	<u>£717,466</u>

The directors loan account is interest free and repayable on demand

15. Creditors: Amounts Falling due after More than One Year

	2007	2006
	£	£
Hire purchase and finance lease agreements	—	12,122

16 Pensions

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by the trustees in a fund independent from those of the company.

Three directors are accruing benefits under money purchase schemes (2006 - three)

17. Commitments under Operating Leases

At 31st December 2007 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2007	2006
	£	£
Operating leases which expire		
Within 1 year	3,370	11,093
Within 2 to 5 years	29,298	25,696
	<u>£32,668</u>	<u>£36,789</u>

Brooks Braithwaite & Company Limited

Notes to the Financial Statements

For the year ended 31st December 2007

18 Related Party Transactions

During the year the company received management fees of £700 (2006 £700) and commission of £4,144 (2006 £nil) from Brooks Braithwaite Management Services Limited, a wholly owned subsidiary. At 31st December 2007 the company owed £10,000 (2006 £10,000) to Brooks Braithwaite Management Services Limited.

During the year the company sold a motor vehicle valued at £12,500 to Mr R D Brooks.

At 31st December 2007 an amount of £14,299 (2006 £823) was owed by Mr R D Brooks) was owed to Mr R D Brooks by the company in respect of a loan made by him to the company. This loan is interest free and repayable on demand.

19. Share Capital

Authorised share capital:

	2007	2006
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

20. Profit and Loss Account

	2007	2006
	£	£
Balance brought forward	62,715	107,800
(Loss)/profit for the financial year	(11,729)	12,665
Equity dividends	<u>(14,800)</u>	<u>(57,750)</u>
Balance carried forward	<u>£36,186</u>	<u>£62,715</u>

21 Reconciliation of Movements in Shareholders' Funds

	2007	2006
	£	£
(Loss)/Profit for the financial year	(11,729)	12,665
Equity dividends	<u>(14,800)</u>	<u>(57,750)</u>
Net reduction to shareholders' funds	(26,529)	(45,085)
Opening shareholders' funds	<u>93,517</u>	<u>138,602</u>
Closing shareholders' funds	<u>66,988</u>	<u>93,517</u>

Brooks Braithwaite & Company Limited

Notes to the Financial Statements

For the year ended 31st December 2007

22 Controlling Parties

The controlling party is R D Brooks who owns 51% of the issued share capital of the company