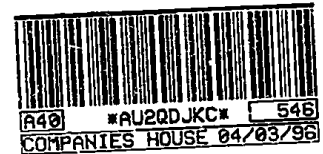


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Reg.

K.E.PETHERWICK LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 1995



**Wilson Sandford & Co.**

**CHARTERED ACCOUNTANTS**

85 Church Road, Hove, East Sussex. BN3 2BB

Telephone: Brighton (0273) 821441 Facsimile: Brighton (0273) 826724



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K.E.PETHERWICK LIMITEDCOMPANY INFORMATION

Directors:	K.E.Petherwick S.R.Marriott-Smalley K.R.Garland D.A.Thomson
Secretary:	K.R.Garland
Registered office:	97 Church Street, Brighton, East Sussex, BN1 1UJ.
Registered in England on:	19th April 1978
Company No:	1363824
Bankers:	Midland Bank Plc, 125 Church Road, Hove, East Sussex, BN3 2AN.
Auditors:	Wilson Sandford & Co., Chartered Accountants, 85 Church Road, Hove, East Sussex, BN3 2BB.

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K.E.PETHERWICK LIMITED

INDEX TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 1995

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2	Directors' report
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4	Profit and loss account
5	Balance sheet
6 - 13	Notes to the financial statements
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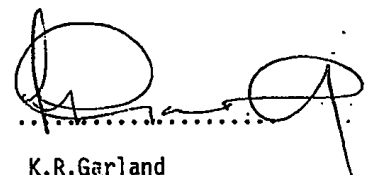
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K.E.PETHERWICK LIMITEDNOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the  
company will be held at \_\_\_\_\_ on \_\_\_\_\_  
at \_\_\_\_\_ p.m. for the following purposes:-

1. To receive the minutes of the previous meeting,  
as circulated.
2. To receive the report of the directors, together with the  
financial statements of the company, for the year ended  
31st August 1995, as circulated.
3. To re-elect the directors.
4. To re-appoint the Auditors, Messrs. Wilson Sandford & Co.,  
for the year to 31st August 1996, and to authorise the  
directors to fix the remuneration of the Auditors.
5. To transact any other business.

By Order of the Board



K.R. Garland  
Secretary

**K.E.PETHERWICK LIMITED****DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31ST AUGUST 1995**

The directors present herewith their annual report, together with the audited financial statements of the company for the year ended 31st August 1995.

**DIRECTORS RESPONSIBILITIES**

Company law requires us 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 or 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 a going concern basis unless it is inappropriate to presume that the company will continue in business;

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

**RESULTS AND DIVIDENDS**

The loss for the year after taxation was £1,141.

The directors do not recommend payment of a dividend for the current year.

**REVIEW OF THE BUSINESS**

The company's principal activity in the year under review has continued to be that of Insurance Brokers.

**DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year and their interests in the share capital of the company were as follows:

	<u>Number of shares</u>	
	<u>31st August 1995</u>	<u>31st August 1994</u>
K.E.Petherwick	55,000	55,000
S.R.Marriott-Smalley	18,000	18,000
K.R.Garland	13,500	13,500
D.A.Thomson	13,500	13,500

**FIXED ASSETS**

Movements in fixed assets during the year are recorded in the notes to the financial statements.

**AUDITORS**

It is proposed that the company's present auditors, Wilson Sandford & Co. be re-appointed as auditors to the company in accordance with Section 384 of the Companies Act 1985.

By Order of the Board



K.R.Garland  
Secretary

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**REPORT OF THE AUDITORS**  
**TO THE MEMBERS OF K.E.PETHERWICK LIMITED**

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**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 our independent opinion, based on our audit on those statements and to report our opinion to you.

**Basis of opinion**

We have 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 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 have 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st August 1995 and of its profit/loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 (as applicable to small companies).

85 Church Road  
 Hove  
 BN3 2BB

Date 28.7.1996.

  
 .....  
 Wilson Sandford & Co.  
 Chartered Accountants  
 & Registered Auditors  
 UK 200 Member

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## K.E.PETHERNICK LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST AUGUST 1995

		Continuing operations	Continuing operations
	Notes	1995 £	1994 £
TURNOVER	2	639,957	710,921
ADMINISTRATION COSTS		628,236	645,422
Other operating income	3	11,721 3,031	65,499 14,730
OPERATING PROFIT	4/5	14,752	80,229
Interest payable	6	(9,122)	(7,499)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,630	72,730
Tax on ordinary activities	7	6,771	22,950
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(1,141)	49,780
Dividends	8	-	50,000
RETAINED LOSS FOR THE YEAR		(1,141)	(220)
RETAINED PROFIT BROUGHT FORWARD		18,059	18,279
RETAINED PROFIT CARRIED FORWARD		£ 16,918	£ 18,059

There were no recognised gains and losses other than those recognised in the profit and loss account.

The notes on pages 6 to 13 form part of these financial statements

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K.E.PETHERWICK LIMITEDBALANCE SHEETAS AT 31ST AUGUST 1995

	<u>Notes</u>	<u>£</u>	<u>1995</u> <u>£</u>	<u>£</u>	<u>1994</u> <u>£</u>
<b>FIXED ASSETS</b>					
Intangible assets	9		80,762		118,300
Tangible assets	10		77,019		105,035
			<u>157,781</u>		<u>223,335</u>
<b>CURRENT ASSETS</b>					
Debtors	11	293,157		502,494	
Cash at bank and in hand		<u>77,402</u>		<u>44,517</u>	
		370,559		547,011	
<b>CREDITORS - amounts falling due within one year</b>	12	<u>(398,740)</u>		<u>(600,811)</u>	
<b>NET CURRENT (LIABILITIES)</b>			<u>(28,181)</u>		<u>(53,800)</u>
<b>ASSETS LESS CURRENT LIABILITIES</b>			129,600		169,535
<b>CREDITORS - amounts falling due after more than one year</b>	13		<u>(12,682)</u>		<u>(51,476)</u>
<b>TOTAL NET ASSETS</b>			<u>£ 116,918</u>		<u>£ 118,059</u>

Financed by:

**CAPITAL AND RESERVES**

Called up share capital	14	100,000	100,000
Profit and loss account		<u>16,918</u>	<u>18,059</u>
		<u>£ 116,918</u>	<u>£ 118,059</u>

The directors have taken advantage of the exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to these exemptions as a small company. These financial statements were approved by the Board on 5th October 1995.

.....  
K.E.Petherwick  
(On behalf of the Board)

The notes on pages 6 to 13 form part of these financial statements



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K.E.PETHERWICK LIMITEDNOTES TO THE FINANCIAL STATEMENTS**1. ACCOUNTING POLICIES****1.1 Accounting conventions**

The financial statements are prepared under the historical cost convention.

**1.2 Turnover**

This represents commissions earned by the company during the year.

**1.3 Depreciation of intangible assets**

The Company's policy is to write off goodwill evenly over its economic life of 10 years.

**1.4 Depreciation of tangible assets**

Provision is made for depreciation on all tangible assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold improvements:	20% per annum on reducing balance
Furniture and equipment:	20% per annum on reducing balance
Motor vehicles:	25% per annum on reducing balance
Computer equipment:	33.3% per annum on cost

**1.5 Deferred taxation**

Provision for deferred taxation is made under the liability method only to the extent that it is possible that the liability will become payable in the foreseeable future.

**1.6 Cash flow statement**

The company qualifies as a small company under Section 247 of the Companies Act 1985 and is exempt from preparing a Cash Flow Statement under the provisions of the Financial Reporting Standard 1.

**1.7 Leasing**

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included under creditors.

**2. TURNOVER**

The turnover and pre-tax Profit are wholly attributable to the company's main activity.  
The turnover arises entirely in the U.K.

## K.E.PETHERWICK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued

3. OTHER OPERATING INCOME	<u>1995</u> £	<u>1994</u> £
Interest receivable	3,031	3,028
Rent receivable	-	11,702
	<u>£ 3,031</u>	<u>£ 14,730</u>
4. OPERATING PROFIT	<u>1995</u> £	<u>1994</u> £
This is stated after charging (crediting):		
Staff costs (see note 5)	402,356	415,523
Auditors' remuneration	2,500	2,450
Depreciation of owned fixed assets	36,464	30,840
Depreciation of fixed assets under finance	8,314	6,622
Adjustment on disposal of fixed assets	-	(429)
Hire of equipment	3,272	3,883
	<u>1,595</u>	<u>3,116</u>
4.1 Operating lease commitments next year:		
Other operating lease commitments expiring:		
Within one year	-	917
Between one and five years	<u>1,595</u>	<u>3,116</u>
Leases of land and buildings commitments expiring:		
Over five years	<u>30,230</u>	<u>30,230</u>

## K.E.PETHERWICK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued

5. EMPLOYEE INFORMATION	<u>1995</u> £	<u>1994</u> £
5.1 Staff costs:		
Wages and salaries	367,031	378,163
Social security costs	35,325	37,360
	<u>£ 402,356</u>	<u>£ 415,523</u>
5.2 The average weekly number of employees during the year was made up as follows:	No.	No.
Office and management	25	26
	<u>25</u>	<u>26</u>
5.3 Directors' emoluments:		
Fees and salaries	108,550	121,481
	<u>£ 108,550</u>	<u>£ 121,481</u>
Further details, excluding pension contributions:		
Highest paid director	31,947	31,560
Chairman's emoluments	15,820	28,471
Other directors' emoluments fell within the following ranges:	No.	No.
£25,001 - £30,000	1	1
£30,001 - £35,000	1	1
	<u>2</u>	<u>2</u>
6. INTEREST PAYABLE	<u>1995</u> £	<u>1994</u> £
On bank overdrafts repayable within 5 years	2,461	1,584
On bank loans repayable within 5 years	2,591	2,278
On hire purchase agreements	1,741	1,946
On finance leases	2,329	1,691
	<u>£ 9,122</u>	<u>£ 7,499</u>

## K.E.PETHERWICK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued

<b>7. TAXATION</b>	<u>1995</u> £	<u>1994</u> £
<b>7.1</b> The tax charge on the Profit on ordinary activities for the year was as follows:		
U.K corporation tax at 25% (1994 - 25%)	6,771	21,191
	<u>6,771</u>	<u>21,191</u>
Taxation (over)/underprovided in previous years:		
Corporation tax	-	1,759
	<u>£ 6,771</u>	<u>£ 22,950</u>
<b>7.2</b> The company is a close company within the terms of section 414 of the Taxes Act 1988		
<b>8. DIVIDENDS</b>	<u>1995</u> £	<u>1994</u> £
Dividend paid:		
Nil (1994: 50p per share)	-	50,000
	<u>-</u>	<u>50,000</u>
<b>9. INTANGIBLE FIXED ASSETS</b>		<u>Goodwill</u>
		£
Cost:		
At 1st September 1994		152,500
Additions		4,800
Disposals		<u>(30,000)</u>
At 31st August 1995		<u>127,300</u>
Amortisation:		
At 1st September 1994		34,200
Charge for year		<u>12,338</u>
At 31st August 1995		<u>46,538</u>
Net book value:		
At 31st August 1995		<u>£ 80,762</u>
At 31st August 1994		<u>£118,300</u>

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K.E.PETHERICK LIMITEDNOTES TO THE FINANCIAL STATEMENTS - continued

## 10. TANGIBLE FIXED ASSETS

	<u>Leasehold additions</u> £	<u>Furniture and equipment</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Cost:				
At 1st September 1994	7,001	147,834	72,066	226,901
Additions	-	4,424	-	4,424
At 31st August 1995	<u>7,001</u>	<u>152,258</u>	<u>72,066</u>	<u>231,325</u>
Depreciation:				
At 1st September 1994	6,177	95,058	20,631	121,866
Charge for year	165	19,416	12,859	32,440
At 31st August 1995	<u>6,342</u>	<u>114,474</u>	<u>33,490</u>	<u>154,306</u>
Net book value:				
At 31st August 1995	<u>£ 659</u>	<u>£ 37,784</u>	<u>£ 38,576</u>	<u>£ 77,019</u>
At 31st August 1994	<u>£ 824</u>	<u>£ 52,776</u>	<u>£ 51,435</u>	<u>£105,035</u>

Included in the amounts for assets above are the following amounts relating to leased assets and assets which are subject to hire purchase contracts:

	<u>Finance leases</u>	<u>Hire purchase contracts</u>
Cost:		
At 1st September 1994	18,054	49,316
At 31st August 1995	<u>30,137</u>	<u>49,316</u>
Accumulated depreciation:		
At 1st September 1994	12,640	6,878
At 31st August 1995	<u>20,954</u>	<u>17,488</u>
Net book value:		
At 31st August 1995	<u>£ 9,183</u>	<u>£ 31,829</u>
At 31st August 1994	<u>£ 17,497</u>	<u>£ 42,438</u>

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K.E.PETHERWICK LIMITEDNOTES TO THE FINANCIAL STATEMENTS - continued

11. DEBTORS	<u>1995</u> £	<u>1994</u> £
Trade debtors	271,149	479,124
Other taxation	-	2,428
Other debtors	4,847	10,920
Prepayments	9,562	10,022
Directors' current accounts	7,599	-
	<u>£293,157</u>	<u>£502,494</u>
12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1995</u> £	<u>1994</u> £
Bank loans and overdraft	14,956	35,448
Obligations under lease and hire purchase contracts	13,872	21,591
Trade creditors	326,402	476,000
Corporation tax	6,771	8,691
Other taxes and social security costs	10,329	25,156
Directors' current accounts	-	4,146
Other creditors	15,475	9,873
Accruals	10,935	7,406
Related advance corporation tax	-	12,500
	<u>£398,740</u>	<u>£600,811</u>

The Midland Bank holds a fixed and floating charge over the assets of the company but excluding any assets, the charging of which would constitute a breach of Insurance Brokers Registration Council (Accounts and Business Requirements) rules. The bank also holds guarantees given by the directors.

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K.E.PETHERWICK LIMITEDNOTES TO THE FINANCIAL STATEMENTS - continued

13. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>1995</u> £	<u>1994</u> £
Bank loans (see note 13.1)	-	25,000
Obligations under lease and hire purchase contracts	12,682	26,476
	<u>£ 12,682</u>	<u>£ 51,476</u>

## 13.1 The total amount of bank loans and overdrafts was as follows:

Falling due within one year:		
Bank overdraft	14,956	20,073
Bank loan - current portion	-	15,375
	<u>£ 14,956</u>	<u>£ 35,448</u>

Falling due after more than one year:		
Bank loan - repayable within five years	-	25,000
	<u>£ -</u>	<u>£ 25,000</u>

Total bank borrowings	<u>£ 14,956</u>	<u>£ 60,448</u>
-----------------------	-----------------	-----------------

The Midland Bank holds, as security, a fixed and floating charge over the assets of the company excluding any assets, the charging of which would constitute a breach of Insurance Brokers Registration Council (Accounts and Business Requirements) rules.

## 14. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, issued and fully paid</u>	
	£	<u>1995</u> £	<u>1994</u> £
100,000 Ordinary shares of £1 each	100,000	100,000	100,000
10,000 Non Voting A shares of 10p each	1,000	-	-
10,000 Non Voting B shares of 10p each	1,000	-	-
	<u>£102,000</u>	<u>£100,000</u>	<u>£100,000</u>

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K.E.PETHERWICK LIMITEDNOTES TO THE FINANCIAL STATEMENTS - continued

## 15. TRANSACTIONS WITH DIRECTORS

During the year the following interest free loans were made to  
to directors:

	Maximum during the year £	Balance at 31st August 1995 £
K.E.Petherwick	18,765	3,858
S.R.Marriott-Smalley	1,800	1,800
K.R.Garland	1,350	1,350
D.A.Thomson	591	591
		<u>£ 7,599</u>