

Stuart.

FRANK L. ROSS
(INSURANCE BROKERS) LIMITED

Annual Report and Financial
Statements for the year ended
31st October 1995

CONTENTS

PAGE:

1	Report of the Directors
2 - 3	Directors' Responsibility Statement and Auditors Report
4	Profit and Loss Account
5	Balance Sheet
6 - 9	Notes forming part of the Accounts
10	Detailed Profit and Loss Account

Directors

Michael A. Ross
Frank L. Ross
Lena L. Ross
Michael R. MacKay

Company Number : 941267

Secretary and Registered Office

Lena L. Ross
The Charter House
Charter Mews
18 Beehive Lane
Ilford
Essex IG1 3RD

Auditors

Freedman Stuart, The Charter House, 18 Beehive Lane, Ilford, Essex IG1 3RD.



FRANK L. ROSS (INSURANCE BROKERS) LIMITEDREPORT OF THE DIRECTORS

The Directors present their Report together with the audited financial statements for the year ended 31st October 1995.

Principal Activity

The principal activity of the Company during the financial year has been that of Insurance Brokers.

There has been no significant change in the activity of the company during the year.

Directors

The Directors of the Company during the year and their interests in the ordinary share capital of the company were:

	<u>Ordinary Shares of £ 1 each</u>	
	<u>1995</u>	<u>1994</u>
Frank L. Ross	30	30
Lena L. Ross	10	10
Michael A. Ross	60	60
Michael R. MacKay	-	-
	<u>100</u>	<u>100</u>
	===	===

There were no other directors interests that required disclosure under the Companies Act 1985.


Small Company Exemption

Advantage is taken in the preparation of the directors' report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

Auditors

Freedman Stuart have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

On behalf of the board


Frank L. Ross
DIRECTOR

4th July 1996

DIRECTORS' RESPONSIBILITY STATEMENT AND AUDITORS' REPORT**Directors' Responsibility for preparation of the
Financial Statements**

The directors are required by the Companies Act 1985 to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the loss of the company for the year. The directors are also required to maintain adequate accounting records.

In addition the directors are responsible for taking reasonable steps to safeguard the company's assets and to prevent or detect fraud or other irregularities.

Suitable accounting policies have been consistently applied in the preparation of the financial statements, and have been supported by prudent estimates and judgements. Applicable accounting standards have been followed.

Report of the Auditors

To the members of Frank L Ross (Insurance Brokers) Limited.

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of the directors and auditors

As described above, 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 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 financial statements. It also includes 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.

...../Contd

...../Contd

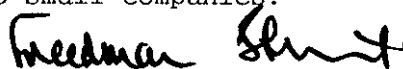
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity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

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures in Note 2 to the financial statements concerning the uncertainty as to the continuation of support from the bank. In view of the significance of this uncertainty, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st October 1995 and of its loss for the year then ended and have been properly prepared in accordance with those provisions of the Companies Act 1985 that are applicable to small companies.



FREEDMAN STUART
REGISTERED AUDITOR

The Charter House
Charter Mews
18 Beehive Lane
Ilford
Essex IG1 3RD

Date: 16/7/96

FRANK L. ROSS(INSURANCE BROKERS) LTDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED31ST OCTOBER, 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
<u>TURNOVER</u>	3	98,067	91,925
Distribution Costs		7,650	10,411
Administrative Expenses		<u>124,803</u>	<u>94,908</u>
		<u>132,453</u>	<u>105,319</u>
		(34,386)	(13,394)
Other Operating Income		<u>12,550</u>	<u>16,990</u>
<u>OPERATING (LOSS)/PROFIT</u>	4	(21,836)	3,596
Investment Income	5	2,240	825
Interest Payable		<u>(2,366)</u>	<u>(2,375)</u>
		<u>(126)</u>	<u>(1,550)</u>
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(21,962)	2,046
Taxation		<u>(487)</u>	<u>312</u>
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		(21,475)	1,734
RETAINED PROFIT BROUGHT FORWARD		<u>9,078</u>	<u>7,344</u>
RETAINED (LOSS)/PROFIT) at 31st October,1995		(12,397) =====	9,078 =====

All of the company's activities are classified as continuing.

The company has no recognised gains or losses other than those included in the losses above, and therefore no separate statement of total recognised gains or losses has been prepared.

The accompanying notes are an integral part of this Profit & Loss Account.


FRANK L. ROSS (INSURANCE BROKERS) LTDBALANCE SHEET AT 31ST OCTOBER, 1995

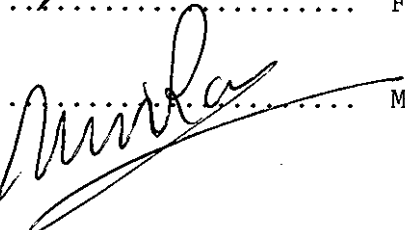
	<u>Note</u>	<u>1995</u>	<u>1994</u>
<u>FIXED ASSETS</u>			
Tangible Assets	6	19,952	20,526
<u>CURRENT ASSETS</u>			
Debtors	7	46,135	80,675
Cash and Bank Balances		<u>18,336</u>	<u>9,701</u>
		64,471	90,376
<u>CREDITORS</u>			
Amounts due within one year	8	<u>96,720</u>	<u>101,724</u>
<u>NET CURRENT LIABILITIES</u>		<u>(32,249)</u>	<u>(11,348)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>(12,297)</u> =====	<u>9,178</u> =====
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	9	100	100
Profit and Loss Account		<u>(12,397)</u>	<u>9,078</u>
		<u>(12,297)</u> =====	<u>9,178</u> =====

Advantage is taken in the preparation of the financial statements of the special exemptions applicable to small companies conferred by part I of Schedule 8 to the Companies Act 1985. In the directors' opinion, the company is entitled to those exemptions as a small company.

The accompanying notes form an integral part of this Balance Sheet.

The accounts were approved by the directors on 4th July 1996

x  Frank L Ross

y  Michael A Ross

FRANK L. ROSS (INSURANCE BROKERS) LIMITEDNotes forming part of the Accounts for the year ended 31st October 19951. Principal Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of Accounting

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents commissions receivable by the Company as and when earned from the Insurance Companies. Commissions are treated as earned when such amounts are received by the company or when the corresponding liability net of earned commission is paid over to the insurance companies.

Tangible Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except improvement to premises, over their expected useful lives. It is calculated using the reducing balance method at the following annual rates:

Motor Vehicles	- 25 %
Furniture, Fixtures & Fittings	- 10 %
Equipment	- 10 %

The improvement to premises is being amortised over 20 years on a straight line basis on the understanding that the lease will be renewed for this period.

Cash Flow Statement

A cash flow statement has not been prepared as the company satisfies the conditions of being a small company as defined by S247 of Companies Act 1985.

FRANK L. ROSS (INSURANCE BROKERS) LIMITEDNotes forming part of the Accounts for the year ended 31st October 19952. Basis of Preparation of the financial statements

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand and the nature of the company's business is such that there can be considerable unpredictable variation in the timing of cash flows.

The company does not have a formal overdraft facility, however, the company's bankers have allowed it to become overdrawn as cash flow requirements dictate.

On the basis of discussions with the company's bankers, the directors have formed a judgement that, at the time of approving the financial statements, that there may be periods when the company becomes or continues to be overdrawn. However, the directors believe that the company's bankers will continue to support it as they have done in similar situations in the past. On this basis the directors consider it appropriate to prepare financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of support by the company's bankers.

3. Turnover

All Turnover is derived in the United Kingdom.

4. Operating (Loss)/Profit

	<u>1995</u>	<u>1994</u>
	£	£
<u>After Charging :</u>		
Depreciation	2,273	2,309
Auditors' Remuneration	2,937	2,652
Directors' Emoluments	69,704	39,760
	=====	=====
<u>After Crediting :</u>		
Service Charges Receivable	12,050	16,990
	=====	=====

5. Investment Income

	<u>1995</u>	<u>1994</u>
	£	£
Rental Income	1,488	743
Bank Interest	752	82
	-----	-----
	2,240	825
	=====	=====

FRANK L. ROSS (INSURANCE BROKERS) LIMITEDNotes forming part of the Accounts for the year ended 31st October 19956. Tangible Fixed Assets

	Imp.To Premises £	Motor Vehicles £	Office Furniture £	Equipment £	Total £
Cost:					
At 1st November 1994	6,356	22,845	12,264	4,696	46,161
Additions	-	-	-	5,297	5,297
Disposals	-	-	(5,000)	-	(5,000)
	-----	-----	-----	-----	-----
At 31st October 1995	6,356	22,845	7,264	9,993	46,458
	=====	=====	=====	=====	=====
Depreciation:					
At 1st November 1994	-	18,481	6,081	1,073	25,635
Provided for the year	318	1,091	290	892	2,591
Disposals	-	-	(1,720)	-	(1,720)
	---	-----	-----	-----	-----
At 31st October 1995	318	19,572	4,651	1,965	26,506
	===	=====	=====	=====	=====
NET BOOK VALUE					
AT 31ST OCTOBER 1995	6,038	3,273	2,613	8,028	19,952
	=====	=====	=====	=====	=====
NET BOOK VALUE					
AT 31ST OCTOBER 1994	6,356	4,364	6,183	3,623	20,526
	=====	=====	=====	=====	=====

There is currently no commitment with regard to the leasing agreement of the rented property, however the directors are at present negotiating new terms.

7. Debtors: falling due within one year

	<u>1995</u> £	<u>1994</u> £
Other Debtors	43,875	79,075
Amounts due from Associated Company	660	-
Prepayments	1,600	1,600
	-----	-----
	46,135	80,675
	=====	=====

FRANK L. ROSS (INSURANCE BROKERS) LIMITEDNotes forming part of the Accounts for the year ended 31st October 19958. Creditors: falling due within one year

	<u>1995</u>	<u>1994</u>
	£	£
Bank Loans and Overdraft	18,333	13,810
Trade Creditors	57,648	60,384
Taxation and Social Security	13,644	12,866
Other Creditors	1,083	10,312
Amounts owed to Associated Company	-	1,699
Accruals	6,012	2,653
	-----	-----
	96,720	101,724
	=====	=====

9. Share Capital

	<u>Authorised</u>		<u>Issued and Fully Paid</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Ordinary Shares of £1 each-Number	100	100	100	100
	===	===	===	===
-Value	£ 100	£ 100	£ 100	£ 100
	===	===	===	===

10. Reconciliation of Movements in Shareholders Funds

	<u>1995</u>	<u>1994</u>
	£	£
(Loss)/Profit for the financial year	(21,475)	1,734
Opening Shareholders funds	9,178	7,444
	-----	-----
Closing Shareholders funds	(12,297)	9,178
	=====	=====

11. Capital Commitments

There were no commitments for capital expenditure not provided for in the Accounts.

12. Related Parties

Service Charges receivable of £ 12,050 (1994 £16,990) are charged to Brent Insurance Services Limited which is under the common control of all the directors of this company.

At the balance sheet date the amount due from Brent Insurance Services was £ 660, and the previous year the amount owed to this company was £ 1,699.