

**BISHOP SKINNER INSURANCE BROKERS LIMITED****ANNUAL REPORT****AND ACCOUNTS****YEAR ENDED 30 JUNE 2007****CONTENTS**

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# **Ryecroft Glenton**

INCORPORATING RAINBOW GILLESPIE

**Chartered Accountants**

**NEWCASTLE**  
32 Portland Terrace,  
Jesmond, NE2 1QP  
Tel 0191 281 1292  
Fax 0191 212 0075

**MORPETH**  
55 Newgate Street,  
NE61 1AY  
Tel 01670 512102  
Fax 01670 510385

**ROTHBURY**  
Barclays Bank Chambers,  
Front Street, NE65 7SS  
Tel 01669 620360  
Fax 01669 620360

**WHITLEY BAY**  
189 Park View  
NE26 3RD  
Tel 0191 252 1849  
Fax 0191 297 1204

**BISHOP SKINNER INSURANCE BROKERS LIMITED****DIRECTORS AND OFFICERS****DIRECTORS**

R W Brewis  
J Hart  
D J A. Jones  
K Butcher  
P Gallagher  
S S Kinnaird

**SECRETARY**

J Hart

**REGISTERED OFFICE**

7/8 St James Street  
Newcastle upon Tyne  
NE1 4NF

**REGISTERED NUMBER**

1121132

**AUDITORS**

Ryecroft Glenton  
Chartered Accountants  
Registered Auditors  
32 Portland Terrace  
Newcastle upon Tyne  
NE2 1QP

# **BISHOP SKINNER INSURANCE BROKERS LIMITED**

## **REPORT OF THE DIRECTORS**

The directors present their annual report and accounts for the year ended 30 June 2007

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the group continued to be that of insurance brokerage.

During the year, the company has once again shown an increase in turnover

Although market conditions remain difficult, the directors remain satisfied with the results for the year

### **RESULTS AND DIVIDENDS**

The results for the year are set out on page 5

The group has applied Financial Reporting Standard 21 "Events after the balance sheet date" for the first time and accordingly dividends declared after the balance sheet date are no longer recognised as a liability in the balance sheet

Dividends of £25,000 (£250 per share) were paid in the year to 30 June 2007 (2006 £55,000)

The retained profit for the year of £1,823 (2006 loss of £9,138) will be added to reserves

### **FIXED ASSETS**

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts

### **DIRECTORS**

The directors in office during the year and their beneficial interests in the company's issued ordinary share capital were as follows -

	<b>At 30 June 2007</b>	<b>At 30 June 2006</b>
R W Brewis	45	45
J Hart	25	25
D J A Jones	10	10
K Butcher	-	-
P Gallagher	-	-
S S Kinnaird	-	-

### **CHARITABLE DONATIONS**

The company made charitable donations in the year in the sum of £1,260 (2006 £1,465)

**BISHOP SKINNER INSURANCE BROKERS LIMITED****REPORT OF THE DIRECTORS - CONTINUED****TAXATION STATUS**

The company is a close company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 or loss of the company for that period. In preparing those 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 also 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

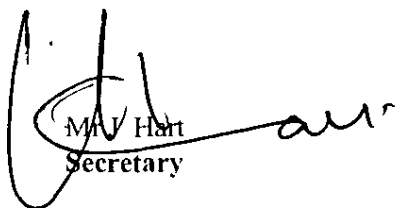
**STATEMENTS OF DISCLOSURE TO AUDITOR**

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

**AUDITORS**

The auditors, Rycroft Glenton, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985

Approved by the board of directors on 13 March 2008  
and signed on their behalf by



M. V. Hart  
Secretary

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF BISHOP SKINNER INSURANCE BROKERS LIMITED

We have audited the group and parent company financial statements of Bishop Skinner Insurance Brokers Limited on pages 5 to 21 for the year ended 30 June 2007. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the group's members, 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 group'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 group'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 described in the Statement of Directors' Responsibilities the group's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Auditing Standards (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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the group 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 transactions with the group 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 opinion**

We conducted our audit in accordance with International Auditing Standards (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 group'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.

#### **Opinion**

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 June 2007 and of its profit for the year then ended and 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.

  
RYECROFT GLENTON

Chartered Accountants

**Registered Auditors**

32 Portland Terrace

Newcastle upon Tyne

NE2 1QP

13 March 2008

**BISHOP SKINNER INSURANCE BROKERS LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 JUNE 2007**

		<b>2007</b>		<b>2006</b>	
		£	£	£	£
	<b>Notes</b>				
<b>TURNOVER</b>	2		2,429,698		2,441,996
Administrative expenses		2,415,505		2,442,041	
Other operating income		(300)		-	
		<u>2,415,205</u>		<u>2,442,041</u>	
<b>OPERATING PROFIT/(LOSS)</b>	3		14,493		(45)
Other interest receivable			<u>48,763</u>		<u>51,437</u>
			63,256		51,392
Interest payable	6		<u>(23,681)</u>		<u>(17,930)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			39,575		33,462
Taxation	7		<u>(12,378)</u>		<u>(16,124)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>			27,197		17,338
Minority interests' share of profit after taxation	22		<u>(374)</u>		<u>(1,476)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<u>26,823</u>		<u>15,862</u>

There are no material acquisitions nor are any operations discontinued

The notes on pages 11 to 21 form part of these accounts

**BISHOP SKINNER INSURANCE BROKERS LIMITED**  
**CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 30 JUNE 2007**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Profit for the year	26,823	15,862
Prior year adjustment	-	30,000
<b>TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR</b>	<u><b>26,823</b></u>	<u><b>45,862</b></u>

**Note of historical cost profits and losses**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Reported profit on ordinary activities before taxation	39,575	33,462
Realisation of property revaluation gains on previous years	-	79,373
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u><b>39,575</b></u>	<u><b>112,835</b></u>
<b>HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION, EXTRAORDINARY ITEMS AND DIVIDENDS</b>	<u><b>1,823</b></u>	<u><b>40,235</b></u>

## BISHOP SKINNER INSURANCE BROKERS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007

	Notes	£	2007	£	£	2006	£
<b>FIXED ASSETS</b>							
Tangible assets	9			1,280,887			1,297,500
Intangible assets	10			-			-
Investments	11			5,400			5,400
				<u>1,286,287</u>			<u>1,302,900</u>
<b>CURRENT ASSETS</b>							
Debtors	13	1,534,456			1,941,848		
Cash at bank and in hand		<u>1,235,614</u>			<u>945,150</u>		
				2,770,070			2,886,998
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(2,656,836)</u>			<u>(2,771,907)</u>		
<b>NET CURRENT ASSETS</b>				<u>113,234</u>			<u>115,091</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				1,399,521			1,417,991
<b>CREDITORS: Amounts falling due after more than one year</b>	15			<u>(475,143)</u>			<u>(495,810)</u>
				<u>924,378</u>			<u>922,181</u>
<b>CAPITAL AND RESERVES</b>							
Called up share capital	18			100			100
Revaluation reserve	19			503,656			503,656
Profit and loss account	19			<u>412,418</u>			<u>410,595</u>
<b>CAPITAL AND RESERVES</b>	20			916,174			914,351
<b>MINORITY INTERESTS</b>	22			<u>8,204</u>			<u>7,830</u>
				<u>924,378</u>			<u>922,181</u>

Approved by the board of directors on 2 April 2008  
and signed on their behalf by

R.W BREWIS

DIRECTORS

J. HART

The notes on pages 11 to 21 form part of these accounts



## BISHOP SKINNER INSURANCE BROKERS LIMITED

## BALANCE SHEET AS AT 30 JUNE 2007

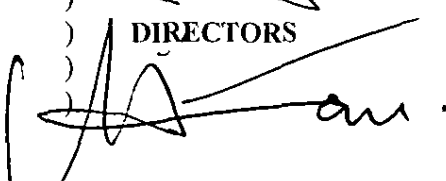
		2007		2006	
		£	£	£	£
	Notes				
<b>FIXED ASSETS</b>					
Tangible assets	9		1,279,055		1,295,242
Intangible assets	10		-		-
Investments	11		5,400		5,400
Share in subsidiary company	12		7,500		7,500
			<u>1,291,955</u>		<u>1,308,142</u>
<b>CURRENT ASSETS</b>					
Debtors	13	1,541,188		1,936,426	
Cash at bank and in hand		<u>1,097,409</u>		<u>854,461</u>	
		2,638,597		2,790,887	
<b>CREDITORS:</b> Amounts falling due within one year	14	<u>(2,556,347)</u>		<u>(2,704,858)</u>	
<b>NET CURRENT ASSETS</b>			<u>82,250</u>		<u>86,029</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,374,205</u>		<u>1,394,171</u>
<b>CREDITORS:</b> Amounts falling due after more than one year	15		<u>(475,143)</u>		<u>(495,810)</u>
			<u>899,062</u>		<u>898,361</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		100		100
Revaluation reserve	19		503,656		503,656
Profit and loss account	19		395,306		394,605
<b>SHAREHOLDERS' FUNDS</b>			<u>899,062</u>		<u>898,361</u>

Approved by the board of directors on 13 March 2008  
and signed on their behalf by

R.W. BREWIS

)   
)  
) DIRECTORS  
)

J. HART

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The notes on pages 11 to 21 form part of these accounts

## BISHOP SKINNER INSURANCE BROKERS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2007

	2007 £	2006 £
<b>RECONCILIATION OF OPERATING PROFIT/ (LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Operating profit/(loss)	14,493	(45)
Depreciation charges	33,752	45,420
Amortisation of goodwill	-	16,592
Loss on sale of tangible fixed assets	1,358	5,003
Decrease in debtors	407,392	16,442
Decrease in creditors	(135,071)	(37,251)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<u>321,924</u>	<u>46,161</u>

## CASH FLOW STATEMENT

	£	2007 £	£	2006 £
<b>Net cash inflow from operating activities</b>		321,924		46,161
<b>Returns on investments and servicing of finance</b>				
Interest paid (note 1)	(23,681)		(17,930)	
Interest received (note 1)	48,763		51,437	
		25,082		33,507
<b>Taxation paid</b>		(15,984)		(43,728)
<b>Capital expenditure (note 1)</b>		(10,497)		(291,185)
<b>Equity dividend paid</b>		(25,000)		(55,000)
		295,525		(310,245)
<b>Financing (note 1)</b>		(16,553)		230,248
<b>Increase/(decrease) in cash (note 2)</b>		<u>278,972</u>		<u>(79,997)</u>

	2007 £	2006 £
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (NOTE 2)</b>		
Increase/(decrease) in cash in period	278,972	(79,997)
Cash outflow/(inflow) from bank loans and hire purchase financing	16,553	(230,247)
<b>Change in net funds resulting from cash flows</b>	295,525	(310,244)
New hire purchase financing	(8,000)	-
<b>Movement in net funds in year</b>	287,525	(310,244)
<b>Net funds at 1 July 2006</b>	358,169	668,413
<b>Net funds at 30 June 2007 (note 2)</b>	<u>645,694</u>	<u>358,169</u>

## BISHOP SKINNER INSURANCE BROKERS LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2007

<b>NOTE 1 - GROSS CASH FLOWS</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Bank overdraft interest paid	(447)	(24)
Hire purchase loan and finance lease interest paid	(753)	(2,349)
Bank loan interest paid	(22,481)	(15,557)
	<u>(23,681)</u>	<u>(17,930)</u>
Interest paid	(23,681)	(17,930)
Bank interest received	48,763	51,437
	<u>25,082</u>	<u>33,507</u>
	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Capital expenditure</b>		
Receipts from sales of tangible fixed assets	26,500	282,500
Payments to acquire tangible fixed assets	(36,997)	(573,685)
	<u>(10,497)</u>	<u>(291,185)</u>
Net outflow from tangible fixed assets	<u>(10,497)</u>	<u>(291,185)</u>
<b>Financing</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
New bank loan advanced	-	372,336
Repayment of bank loan	(8,335)	(108,751)
Repayment of hire purchase contracts and finance lease obligations	(8,218)	(33,337)
	<u>(16,553)</u>	<u>230,248</u>
Net (outflow)/inflow from financing	<u>(16,553)</u>	<u>230,248</u>

## NOTE 2 - ANALYSIS OF CHANGES IN NET FUNDS

	<b>At</b>	<b>Cash</b>	<b>Non cash</b>	<b>At</b>
	<b>30.6.06</b>	<b>flows</b>	<b>changes</b>	<b>30.6.07</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank	945,150	290,464	-	1,235,614
Bank overdraft	(76,686)	(11,491)	-	(88,177)
	<u>868,464</u>	<u>278,973</u>	<u>-</u>	<u>1,147,437</u>
Debt due in less than one year	(9,600)	(17,181)	-	(26,781)
Debt due in more than one year	(495,810)	25,515	-	(470,295)
Finance leases	(4,885)	8,218	(8,000)	(4,667)
	<u>(510,295)</u>	<u>16,553</u>	<u>(8,000)</u>	<u>(501,743)</u>
	<u>358,169</u>	<u>295,526</u>	<u>(8,000)</u>	<u>645,694</u>

# **BISHOP SKINNER INSURANCE BROKERS LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 30 JUNE 2007**

### **1 ACCOUNTING POLICIES**

#### **Accounting convention and accounting standards**

The group prepares its accounts using the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with applicable accounting standards

#### **Depreciation**

Depreciation is provided on all tangible fixed assets with the exception of freehold land and buildings at the following annual rates in order to write off each asset over its estimated useful economic life

Motor vehicles	- 25% on a reducing balance basis
Office equipment	- 25% on a reducing balance basis
Computer equipment	- 25% on a straight line basis
Fixtures and fittings	- 15%/25% on a reducing balance basis

Freehold buildings are depreciated to write down the cost less estimated residual value over their remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their estimated residual value is not less than their cost or valuation, no depreciation is charged as it is not material

#### **Goodwill**

Goodwill relates wholly to purchased goodwill. Amounts representing goodwill are only included to the extent that the goodwill was acquired for valuable consideration

Purchased goodwill is eliminated by amortisation through the profit and loss account over its useful economic life, on a straight line basis

The useful economic life of purchased goodwill is, in the opinion of the directors, seven years from the end of the year of purchase

#### **Finance and operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding

**BISHOP SKINNER INSURANCE BROKERS LIMITED****NOTES TO THE ACCOUNTS - CONTINUED****YEAR ENDED 30 JUNE 2007****1. ACCOUNTING POLICIES - Continued****Revenue and expense recognition**

It is impracticable to devise accounting policies which consistently match revenue from brokerage with the related expenses. Accordingly, the following bases are adopted:

**a Turnover**

Turnover represents brokerage and fees which are (mainly) taken to credit when debit notes are issued irrespective of the inception date or period of insurance, with the following principal exceptions:

- i life and pensions brokerage and other commissions which are credited when received,
- ii brokerage on direct motor agency business which is recognised when received

Alterations in brokerage arising from return and additional premiums and adjustments are taken into account as and when these occur.

**b Expenses**

Costs are written off as incurred.

**Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences only to the extent that it is probable that, in the director's opinion, a liability or asset will crystallise.

**Pension schemes**

The company operates several defined contribution (money purchase) pension schemes. The assets of the schemes are held separately from those of the company in independently administered pension funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £233,438 (2006 £218,901). Contributions totalling £5,935 (2006 £5,591) were payable to the fund at the year end and are included in creditors.

**Insurance debtors and creditors**

Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities. This recognises that the insurance broker is entitled to retain the investment income on any cash flows arising from these transactions.

Debtors and creditors arising from a transaction between client and insurers (e.g. a premium or a claim) are recorded simultaneously. Consequently, there is a high level of correlation between the totals reported in respect of insurance broking debtors and insurance broking creditors.

**BISHOP SKINNER INSURANCE BROKERS LIMITED****NOTES TO THE ACCOUNTS - CONTINUED****YEAR ENDED 30 JUNE 2007****1 ACCOUNTING POLICIES - Continued****Insurance debtors and creditors - Continued**

The position of the insurance broker as agent means that generally the credit risk is borne by the principals. There can be circumstances where the insurance broker acquires credit risk - through statute, or through the act or omission of the insurance broker or of one of the principals. There is much legal uncertainty surrounding the circumstances and the extent of such exposures and consequently they cannot be evaluated. However, the total of insurance broking debtors appearing in the balance sheet is not an indication of credit risk.

It is normal practice for insurance brokers to settle accounts with other intermediaries, clients, insurers and market settlement bureaux on a net basis. Thus, large changes in both insurance broking debtors and creditors can result from comparatively small cash settlements. For this reason, the totals of insurance broking debtors and creditors give no indication of future cash flows.

The legal status of this practice of net settlement is uncertain and in the event of an insolvency it is generally abandoned. Financial Reporting Standard No 5 Reporting the Substance of Transactions requires that offset of assets and liabilities should be recognised in financial statements where, and only where, the offset would survive the insolvency of the other party. Accordingly, only such offsets have been recognised in calculating insurance broking debtors and creditors.

**2 TURNOVER**

The turnover and profit before taxation are attributable to the principal activity of the company, and derive exclusively from markets in the United Kingdom.

**3 OPERATING PROFIT/(LOSS)****2007****2006**

£

£

The operating profit/(loss) is stated after charging

Depreciation of tangible fixed assets	33,752	45,420
Amortisation of intangible fixed assets	-	16,592
Loss on disposal of tangible fixed assets	1,358	5,003
Staff costs (note 4)	1,938,564	1,876,699
Auditors' remuneration	<u>20,290</u>	<u>16,362</u>

## BISHOP SKINNER INSURANCE BROKERS LIMITED

## NOTES TO THE ACCOUNTS - CONTINUED

YEAR ENDED 30 JUNE 2007

4 STAFF COSTS	2007 £	2006 £
Staff costs, including directors' remuneration (note 5), were as follows		
Wages and salaries	1,541,016	1,466,971
Social security costs	164,110	190,827
Other pension costs	233,438	218,901
	<u>1,938,564</u>	<u>1,876,699</u>
The average weekly number of employees during the year was as follows	No.	No.
Management	10	10
Administration and sales	45	45
	<u>55</u>	<u>55</u>
5 DIRECTORS' REMUNERATION	2007 £	2006 £
Emoluments for services as directors	690,378	718,388
Pension scheme contributions	192,450	191,588
	<u>882,828</u>	<u>909,976</u>
Number of directors to whom retirement benefits are accruing under -	No.	No.
Money purchase schemes	<u>6</u>	<u>6</u>
Amounts attributable to the highest paid director	2007 £	2006 £
Emoluments for services as a director	158,099	159,162
Pension scheme contributions	<u>60,000</u>	<u>60,000</u>
6 INTEREST PAYABLE	2007 £	2006 £
Bank overdraft	447	24
Hire purchase and finance leases	753	2,349
Bank loan interest	22,481	15,557
	<u>23,681</u>	<u>17,930</u>

## BISHOP SKINNER INSURANCE BROKERS LIMITED

## NOTES TO THE ACCOUNTS - CONTINUED

YEAR ENDED 30 JUNE 2007

7

TAXATION	2007 £	2006 £
<b>Analysis of tax charge in the year</b>		
Corporation tax at 31 28% (2006 24 68%) based on the adjusted results for the year	12,378	15,984
Adjustment for prior years	-	140
	<u>12,378</u>	<u>16,124</u>
<b>Tax on profit on ordinary activities</b>	<u>12,378</u>	<u>16,124</u>
<b>Factors effecting tax charge for the year</b>		
Profit on ordinary activities before taxation	<u>39,575</u>	<u>33,462</u>
Profit on ordinary activities multiplied by the relevant rate of corporation tax of 19 25% (2006 19 15%)	7,619	6,407
Effects of		
Expenses not deductible for tax purposes	6,207	5,254
Capital allowances for the year in excess of depreciation	(1,419)	4,553
Effect of marginal rate	-	(230)
Adjustments for prior years	-	140
Other tax adjustments	(29)	-
	<u>12,378</u>	<u>16,124</u>
<b>Current tax charge for the year</b>	<u>12,378</u>	<u>16,124</u>

8

DIVIDENDS	2007 £	2006 £
Ordinary interim paid	<u>25,000</u>	<u>55,000</u>

9

TANGIBLE FIXED ASSETS	Freehold land and buildings £	Office furniture and equipment £	Motor vehicles £	Total £
<b>Group</b>				
<b>Cost or valuation</b>				
At 1 July 2006	1,170,178	259,982	144,451	1,574,611
Additions	20,000	10,302	14,695	44,997
Revaluations	-	-	-	-
Disposals	-	(58,136)	(66,035)	(124,171)
At 30 June 2007	<u>1,190,178</u>	<u>212,148</u>	<u>93,111</u>	<u>1,495,437</u>
<b>Depreciation</b>				
At 1 July 2006	-	204,113	72,998	277,111
Charge for year	-	19,179	14,573	33,752
Disposals	-	(58,136)	(38,177)	(96,313)
At 30 June 2007	<u>-</u>	<u>165,156</u>	<u>49,394</u>	<u>214,550</u>
<b>Net book values</b>				
At 30 June 2007	<u>1,190,178</u>	<u>46,992</u>	<u>43,717</u>	<u>1,280,887</u>
At 30 June 2006	<u>1,170,178</u>	<u>55,869</u>	<u>71,453</u>	<u>1,297,500</u>



## BISHOP SKINNER INSURANCE BROKERS LIMITED

## NOTES TO THE ACCOUNTS - CONTINUED

## YEAR ENDED 30 JUNE 2007

9 TANGIBLE FIXED ASSETS - CONTINUED	Freehold land and buildings £	Office furniture and equipment £	Motor vehicles £	Total £
<b>Company</b>				
<b>Cost or valuation</b>				
At 1 July 2006	1,170,178	256,050	144,451	1,570,679
Additions	20,000	10,003	14,695	44,698
Revaluations	-	-	-	-
Disposals	-	(58,136)	(66,035)	(124,171)
	<u>1,190,178</u>	<u>207,917</u>	<u>93,111</u>	<u>1,491,206</u>
At 30 June 2007	<u>1,190,178</u>	<u>207,917</u>	<u>93,111</u>	<u>1,491,206</u>
<b>Depreciation</b>				
At 1 July 2006	-	202,439	72,998	275,437
Charge for year	-	18,454	14,573	33,027
Disposals	-	(58,136)	(38,177)	(96,313)
	<u>-</u>	<u>162,757</u>	<u>49,394</u>	<u>212,151</u>
At 30 June 2007	<u>-</u>	<u>162,757</u>	<u>49,394</u>	<u>212,151</u>
<b>Net book values</b>				
At 30 June 2007	<u>1,190,178</u>	<u>45,160</u>	<u>43,717</u>	<u>1,279,055</u>
At 30 June 2006	<u>1,170,178</u>	<u>53,611</u>	<u>71,453</u>	<u>1,295,242</u>

**Freehold land and buildings**

Some of the freehold land and buildings were revalued at 30 June 2004 by George F White, Chartered Surveyors and Sanderson Weatherall, Chartered Surveyors. The remainder of freehold land and buildings were purchased in the year to 30 June 2006 and are included at cost.

Amounts are included in tangible fixed assets as follows -

Historical cost	686,521
Revaluation surplus	<u>503,656</u>

At revalued amount 1,190,177

Assets held under hire purchase contracts and finance lease obligations are as follows

	Group		Company	
	Motor vehicles 2007 £	Motor vehicles 2006 £	Motor vehicles 2007 £	Motor vehicles 2006 £
Net book values	<u>11,021</u>	<u>37,657</u>	<u>11,021</u>	<u>37,657</u>
Depreciation charge for year	<u>3,674</u>	<u>12,553</u>	<u>3,674</u>	<u>12,553</u>

## BISHOP SKINNER INSURANCE BROKERS LIMITED

## NOTES TO THE ACCOUNTS - CONTINUED

## YEAR ENDED 30 JUNE 2007

## 10 INTANGIBLE FIXED ASSETS

	Group Goodwill £	Company Goodwill £
<b>Cost</b>		
At 1 July 2006 and 30 June 2007	<u>321,105</u>	<u>321,105</u>
<b>Accumulated amortisation</b>		
At 1 July 2006	321,105	321,105
Charge for year	-	-
At 30 June 2007	<u>321,105</u>	<u>321,105</u>
<b>Written down value</b>		
At 30 June 2007	<u>-</u>	<u>-</u>
At 30 June 2006	<u>-</u>	<u>-</u>

## 11 FIXED ASSET INVESTMENTS

	Group Unlisted investments £	Company Unlisted investments £
<b>Cost</b>		
At 1 July 2006 and 30 June 2007	<u>5,400</u>	<u>5,400</u>

## 12 SHARES IN SUBSIDIARY UNDERTAKING

Company*	Interest in Subsidiary undertaking £
<b>Cost or valuation:</b>	
At 1 July 2006 and 30 June 2007	<u>7,500</u>
<b>Amount written off:</b>	
At 1 July 2006	-
Charged in year	-
At 30 June 2007	<u>-</u>
<b>Net book value:</b>	
At 30 June 2007	<u>7,500</u>
At 30 June 2006	<u>7,500</u>

## Interests in subsidiary undertaking:

Name of undertaking	Country of incorporation or registration	Class of shares held	Proportion of the nominal value of the allotted shares of that class 30 June	
			2007	2006
			%	%
BS Financial Services Limited	England and Wales	Ordinary £1	75	75

## BISHOP SKINNER INSURANCE BROKERS LIMITED

## NOTES TO THE ACCOUNTS - CONTINUED

YEAR ENDED 30 JUNE 2007

## 13 DEBTORS

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	1,496,825	1,875,123	1,492,948	1,869,816
Other debtors and prepayments	37,631	66,725	48,240	66,610
	<u>1,534,456</u>	<u>1,941,848</u>	<u>1,541,188</u>	<u>1,936,426</u>

No debtors fall due after more than one year

## 14 CREDITORS: Amounts falling due within one year

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank loan and overdraft (note 16)	110,777	86,286	110,777	86,286
Trade creditors	1,904,838	2,140,375	1,904,838	2,140,375
Amount due to subsidiary undertaking	-	-	681	681
Other creditors including taxation and social security	86,991	83,467	75,423	75,766
Accruals and deferred income	504,920	440,910	416,495	382,601
Hire purchase and finance leases (note 17)	4,000	4,885	4,000	4,885
Corporation tax	12,378	15,984	11,201	14,264
Director's current accounts	32,932	-	32,932	-
	<u>2,656,836</u>	<u>2,771,907</u>	<u>2,556,347</u>	<u>2,704,858</u>

## 15. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank loan and overdraft (note 16)	474,476	495,810	474,476	495,810
Hire purchase and finance leases (note 17)	667	-	667	-
	<u>475,143</u>	<u>495,810</u>	<u>475,143</u>	<u>495,810</u>

## BISHOP SKINNER INSURANCE BROKERS LIMITED

## NOTES TO THE ACCOUNTS - CONTINUED

YEAR ENDED 30 JUNE 2007

## 16 BANK LOANS AND OVERDRAFTS

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Falling due within one year				
Bank loans	<u>22,600</u>	<u>9,600</u>	<u>22,600</u>	<u>9,600</u>
Falling due after more than one year				
Bank loan - repayable within one to two years	22,600	9,600	22,600	9,600
- repayable within two to five years	232,400	168,800	232,400	168,800
- repayable after five years	<u>219,476</u>	<u>317,410</u>	<u>219,476</u>	<u>317,410</u>
Aggregate amounts	<u>474,476</u>	<u>495,810</u>	<u>474,476</u>	<u>495,810</u>

The bank loan of £140,000 is not repayable until expiry of three years and one day's written notice given to the borrower, and is not interest bearing

The bank loan of £357,077 is repayable over a 15 year period at £2,567 97 per month Interest is charged at 2% per annum over the bank's base rate

The bank loans are secured by fixed charges on certain freehold land and buildings

## 17 HIRE PURCHASE CONTRACTS AND FINANCE LEASE OBLIGATIONS

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Amounts are repayable by instalments as follows -				
In the next year	4,000	4,885	4,000	4,885
In the second to fifth years inclusive	<u>667</u>	<u>-</u>	<u>667</u>	<u>-</u>
	<u>4,667</u>	<u>4,885</u>	<u>4,667</u>	<u>4,885</u>

All hire purchase contracts and finance lease obligations are secured on the assets financed

## 18 CALLED UP SHARE CAPITAL

	2007	2006
	£	£
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

## BISHOP SKINNER INSURANCE BROKERS LIMITED

## NOTES TO THE ACCOUNTS - CONTINUED

## YEAR ENDED 30 JUNE 2007

19 RESERVES	Revaluation reserve £	Profit and loss account £	Total £
Group			
Balance at 1 July 2006	503,656	410,595	914,251
Profit for the year	-	26,823	26,823
Transfer from revaluation reserve to profit and loss account	-	-	-
Dividends paid	-	(25,000)	(25,000)
Revaluation	-	-	-
	<u>503,656</u>	<u>412,418</u>	<u>916,074</u>
Balance at 30 June 2007	<u>503,656</u>	<u>412,418</u>	<u>916,074</u>
	Revaluation reserve £	Profit and loss account £	Total £
Company			
Balance at 1 July 2006	503,656	394,605	898,261
Profit for the year	-	25,701	25,701
Transfer from revaluation reserve to profit and loss account	-	-	-
Dividends paid	-	(25,000)	(25,000)
Revaluation	-	-	-
	<u>503,656</u>	<u>395,306</u>	<u>898,962</u>
Balance at 30 June 2007	<u>503,656</u>	<u>395,306</u>	<u>898,962</u>

20 SHAREHOLDERS' FUNDS	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Profit on ordinary activities after taxation	26,823	15,862	25,701	11,434
Less dividends	(25,000)	(55,000)	(25,000)	(55,000)
Add revaluation	-	30,000	-	30,000
Representing a net increase/(decrease) in shareholders' funds	1,823	(9,138)	701	(13,566)
Opening shareholders' funds	914,351	923,489	898,361	911,927
Closing shareholders funds	<u>916,174</u>	<u>914,351</u>	<u>899,062</u>	<u>898,361</u>

**BISHOP SKINNER INSURANCE BROKERS LIMITED****NOTES TO THE ACCOUNTS - CONTINUED****YEAR ENDED 30 JUNE 2007**

<b>21 PENSION COSTS</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution</b>		
Contributions payable by the group for the year	<u>233,438</u>	<u>218,901</u>
 <b>22 MINORITY INTEREST</b>	 <b>2007</b>	 <b>2006</b>
	<b>£</b>	<b>£</b>
Minority interests shares of profit after taxation	374	1,476
Opening minority interests	<u>7,830</u>	<u>6,354</u>
Closing minority interests	<u>8,204</u>	<u>7,830</u>

**23 POST BALANCE SHEET EVENTS**

As at the 31 July 2007 Bishop Skinner Insurance Brokers Limited purchased the Business Assets, including Goodwill, of Graham Clark Limited, an insurance broker based in South Shields. Consideration will be based on future trading performance.