

**GENERAL INSURANCE BROKERS (UK) PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

Company Registration No. 02106087 (England and Wales)

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# GENERAL INSURANCE BROKERS (UK) PLC

## COMPANY INFORMATION

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<b>Directors</b>	Sameer Mirza Rahail Mirza
<b>Secretary</b>	Rahail Mirza
<b>Company number</b>	02106087
<b>Registered office</b>	298/300 Preston Road Harrow Middlesex HA3 0QB
<b>Auditors</b>	Charterhouse (Accountants) LLP 88-98 College Road Harrow Middlesex HA1 1RA
<b>Business address</b>	90 Bishops Bridge Road London W2 5AA
<b>Solicitors</b>	W R Burrows & Son 298/300 Preston Road Harrow Middlesex HA3 0QB

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# GENERAL INSURANCE BROKERS (UK) PLC

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# GENERAL INSURANCE BROKERS (UK) PLC

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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The directors present their report and financial statements for the year ended 31 December 2008.

### Principal activities and review of the business

The principal activity of the company in the year under review continued to be that of insurance brokers.

The directors consider the profit achieved on ordinary activities before taxation to be satisfactory. The company is adequately placed to take advantage of business opportunities, and the directors consider the state of affairs to be satisfactory.

The key financial highlights are as follows:

	2008	2007
	£	£
Turnover	1,228,575	1,006,850
Profit before tax	897,147	806,085

### Financial Risk Management

The company's principal financial instruments comprise bank balances and trade creditors. The main purpose of these instruments is to finance the company's trading activities.

Due to the nature of the financial instruments used there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is described below.

In respect of bank balances, the liquidity risk is managed by maintaining sufficient balances in liquid form for the immediate and future needs of the company.

Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

### Results and dividends

The results for the year are set out on page 5.

### Post balance sheet events

There have been no significant events affecting the company since the year end.

### Future developments

The directors expect the continuation of organic growth and new business growth.

### Directors

The following directors have held office since 1 January 2008:

Sameer Mirza

Rahail Mirza

# GENERAL INSURANCE BROKERS (UK) PLC

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Political and charitable donations	2008 £	2007 £
During the year the company made the following payments:		
Political donations to EU parties and organisations	95	3,810
Charitable donations	14,500	12,800

### Creditor payment policy

It is the company's policy that the payments to suppliers are made substantially in accordance with those terms and conditions made between the company and its suppliers, provided that all trading terms and conditions are complied with.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Charterhouse (Accountants) LLP be reappointed as auditors of the company will be to the Annual General Meeting.

### Directors' responsibilities

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:

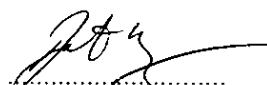
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 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.

### Statement of disclosure to auditor

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

On behalf of the board



Rahail Mirza

Director

Date: 10/7/09

# **GENERAL INSURANCE BROKERS (UK) PLC**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF GENERAL INSURANCE BROKERS (UK) PLC**

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We have audited the financial statements of General Insurance Brokers (UK) Plc for the year ended 31 December 2008 set out on pages 5 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

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.

# GENERAL INSURANCE BROKERS (UK) PLC

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF GENERAL INSURANCE BROKERS (UK) PLC

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#### 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 company's affairs as at 31 December 2008 and of its profit 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.



Charterhouse (Accountants) LLP  
Registered Auditor

Date: 27/7/09

88-98 College Road  
Harrow  
Middlesex  
HA1 1RA

# GENERAL INSURANCE BROKERS (UK) PLC

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Turnover	2	1,228,575	1,006,850
Cost of sales		(2,300)	(1,632)
<b>Gross profit</b>		<b>1,226,275</b>	<b>1,005,218</b>
Administrative expenses		(410,452)	(350,483)
<b>Operating profit</b>	3	<b>815,823</b>	<b>654,735</b>
Other interest receivable and similar income	4	149,017	151,350
Interest payable and similar charges	5	(67,693)	-
<b>Profit on ordinary activities before taxation</b>		<b>897,147</b>	<b>806,085</b>
Tax on profit on ordinary activities	6	(263,108)	(242,389)
<b>Profit for the year</b>	14	<b>634,039</b>	<b>563,696</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



# GENERAL INSURANCE BROKERS (UK) PLC

## BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Tangible assets	8		67,954		71,847
<b>Current assets</b>					
Debtors	9	231,138		176,700	
Cash at bank and in hand		3,527,458		2,977,883	
		<u>3,758,596</u>		<u>3,154,583</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(2,901,236)</u>		<u>(2,434,640)</u>	
<b>Net current assets</b>			857,360		719,943
<b>Total assets less current liabilities</b>			925,314		791,790
<b>Provisions for liabilities</b>	11		<u>(2,057)</u>		<u>(2,572)</u>
			<u>923,257</u>		<u>789,218</u>
<b>Capital and reserves</b>					
Called up share capital	13		50,000		50,000
Profit and loss account	14		873,257		739,218
<b>Shareholders' funds</b>	15		<u>923,257</u>		<u>789,218</u>

Approved by the Board and authorised for issue on 10th July 2009



Sameer Mirza  
Director

# GENERAL INSURANCE BROKERS (UK) PLC

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	2007
£	£	£
Net cash outflow from operating activities	1,251,127	1,164,246
Returns on investments and servicing of finance		
Interest received	149,017	151,350
Net cash outflow for returns on investments and servicing of finance	149,017	151,350
Taxation	(242,715)	(203,338)
Equity dividends paid	(500,000)	(1,200,000)
Net cash (outflow)/inflow before management of liquid resources and financing	657,429	(87,743)
Management of liquid resources		
Current asset investments	-	489,911
	-	489,911
Increase in cash in the year	657,429	402,169

# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

1	Reconciliation of operating profit to net cash inflow from operating activities		2008	2007
			£	£
	Operating profit		815,823	654,735
	Depreciation of tangible assets		3,893	4,483
	Increase in debtors		(54,438)	(10,103)
	Increase in creditors within one year		485,849	515,131
	Net cash inflow from operating activities		1,251,127	1,164,246

2	Analysis of net funds	1 January 2008	Cash flow	Other non-cash changes	31 December 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	2,977,883	549,575	-	3,527,458
	Bank overdrafts	(107,854)	107,854	-	-
		2,870,029	657,429	-	3,527,458
	Net funds	2,870,029	657,429	-	3,527,458

3	Reconciliation of net cash flow to movement in net funds	2008	2007
		£	£
	Increase in cash in the year	657,429	402,169
	Cash (outflow)/inflow from (increase)/decrease in liquid resources	-	(489,911)
	Movement in net funds in the year	657,429	(87,742)
	Opening net funds	2,870,029	2,957,771
	Closing net funds	3,527,458	2,870,029

# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Turnover represents brokerage, commission and other fees which are recognised when fee notes are issued irrespective of the inception date or period of insurance.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over 50 years
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% reducing balance

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Pensions

The company operates money purchase (defined contribution) pension schemes. Contributions made to these schemes are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

#### 1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

<b>3</b>	<b>Operating profit</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	3,893	4,483
	Loss on foreign exchange transactions	-	15,777
	Auditors' remuneration	6,325	6,463
	Remuneration of auditors for non-audit work	1,236	1,970
	and after crediting:		
	Profit on foreign exchange transactions	(193,632)	-
		<u><u>          </u></u>	<u><u>          </u></u>
 <b>4</b>	 <b>Investment income</b>	 <b>2008</b>	 <b>2007</b>
		<b>£</b>	<b>£</b>
	Bank interest	148,827	143,412
	Other interest	190	7,938
		<u><u>          </u></u>	<u><u>          </u></u>
		149,017	151,350
		<u><u>          </u></u>	<u><u>          </u></u>
 <b>5</b>	 <b>Interest payable</b>	 <b>2008</b>	 <b>2007</b>
		<b>£</b>	<b>£</b>
	Other interest	67,693	-
		<u><u>          </u></u>	<u><u>          </u></u>

# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

6	Taxation	2008 £	2007 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	263,623	242,715
	<b>Current tax charge</b>	263,623	242,715
	<b>Deferred tax</b>		
	Deferred tax charge credit current year	(515)	(326)
		263,108	242,389
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	897,147	806,085
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007 - 30.00%)	251,201	241,826
	Effects of:		
	Non deductible expenses	6,488	1,148
	Depreciation add back	1,090	1,345
	Capital allowances	(343)	(577)
	Other tax adjustments	5,187	(1,027)
		12,422	889
	<b>Current tax charge</b>	263,623	242,715
7	<b>Dividends</b>	2008 £	2007 £
	Ordinary interim paid	500,000	1,200,000

# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 8 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2008 & at 31 December 2008	75,393	88,097	13,980	177,470
<b>Depreciation</b>				
At 1 January 2008	17,885	76,798	10,940	105,623
Charge for the year	1,438	1,695	760	3,893
At 31 December 2008	19,323	78,493	11,700	109,516
<b>Net book value</b>				
At 31 December 2008	56,070	9,604	2,280	67,954
At 31 December 2007	57,508	11,299	3,040	71,847

Leasehold land and buildings consists of long leasehold premises.

### 9 Debtors

	2008 £	2007 £
Prepayments and accrued income	231,138	176,700

### 10 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	-	107,854
Trade creditors	2,330,184	2,064,005
Corporation tax	263,623	242,715
Other taxes and social security costs	7,143	6,476
Other creditors	7,127	7,127
Accruals and deferred income	293,159	6,463
	2,901,236	2,434,640

# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2008	2,572
Profit and loss account	(515)
	<u>2,057</u>
Balance at 31 December 2008	<u>2,057</u>

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	<u>2,057</u>	<u>2,572</u>

### 12 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,400 (2007- £2,400).

### 13 Share capital

	2008 £	2007 £
<b>Authorised</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>



# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 14 Statement of movements on profit and loss account

**Profit and  
loss  
account  
£**

Balance at 1 January 2008	739,218
Profit for the year	634,039
Dividends paid	(500,000)
Balance at 31 December 2008	<u>873,257</u>

### 15 Reconciliation of movements in shareholders' funds

**2008  
£**

**2007  
£**

Profit for the financial year	634,039	563,696
Dividends	(500,000)	(1,200,000)
Net addition to/(depletion in) shareholders' funds	<u>134,039</u>	<u>(636,304)</u>
Opening shareholders' funds	789,218	1,425,522
Closing shareholders' funds	<u>923,257</u>	<u>789,218</u>

### 16 Directors' emoluments

**2008  
£**

**2007  
£**

Emoluments for qualifying services	107,500	105,417
Company pension contributions	1,200	1,200
	<u>108,700</u>	<u>106,617</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2007- 1).

# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 17 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
Administration	9	7

#### Employment costs

	2008 £	2007 £
Wages and salaries	216,050	200,580
Social security costs	239,755	20,735
Other pension costs	2,400	2,400
	458,205	223,715

### 18 Control

General Insurance Brokers (UK) Plc is a wholly owned subsidiary of GIBUK Holdings Limited, a company registered in England and Wales.

The ultimate controlling party is Mr S Mirza by virtue of his ownership of 65% of the issued share capital in the parent company.

### 19 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

Mrs M J Zaidi, the directors' sister, holds the freehold title in respect of the company's property held on a long leasehold agreement. During the year ground rents of £1,000 (2007: £1,000) were payable to her on an arms length basis.

Included in other creditors is a balance of £7,127 (2007: £7,127) owed to the Company's funded unapproved retirement benefit scheme.