

**GENERAL INSURANCE BROKERS (UK) PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

Company Registration No 02106087 (England and Wales)



# 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

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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The directors present the strategic report and financial statements for the year ended 31 December 2013

### Review of the business

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 company has seen significant growth in business particularly from the Middle Eastern Region hence the substantial increase in turnover and profit.

This will continue into the next period.

The key financial highlights are as follows:

	2013	2012
	£	£
Turnover	5,008,112	1,249,473
Profit before tax	4,381,963	593,331

### Principal risk and uncertainties

The company continues to be exposed to the competitive pressures that are common across most areas of the insurance market including intensified competition within the market from other broking houses. However, the company is fortunate in that it operates in a very niche market.

The company maintains supportive relationships with its insurers to ensure competitiveness in its broking activities. The company further manages these risks by providing added value services to its customers and maintains strong relationships with customers and insurers.

The company has effective credit control and cancellation procedures in place to minimise credit risks.

The company's risk to currency is limited as majority of the transactions are in GBP.

### 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.

### Non-financial key performance indicators

The directors believe that the use of non-financial KPI's is not necessary for an understanding of the results and operations of the business.

### Future developments

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

# GENERAL INSURANCE BROKERS (UK) PLC

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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On behalf of the board



Rahail Mirza  
Director

Date 27/06/2014

# GENERAL INSURANCE BROKERS (UK) PLC

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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The directors present their report and financial statements for the year ended 31 December 2013

### 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

### Results and dividends

The results for the year are set out on page 6

The directors do not recommend payment of an ordinary dividend (2012 £nil)

### Directors

The following directors have held office since 1 January 2013

Sameer Mirza  
Rahail Mirza

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 auditors

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 27/06/2014

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

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS 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 2013 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# GENERAL INSURANCE BROKERS (UK) PLC

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Barrie Cross (Senior Statutory Auditor)  
for and on behalf of Charterhouse (Accountants) LLP  
Statutory Auditor

Date 30/06/2014

Charterhouse (Accountants) LLP  
Chartered Accountants  
88-98 College Road  
Harrow  
Middlesex  
HA1 1RA



# GENERAL INSURANCE BROKERS (UK) PLC

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	5,008,112	1,249,473
Cost of sales		(224,036)	(13,200)
<b>Gross profit</b>		<b>4,784,076</b>	<b>1,236,273</b>
Administrative expenses		(795,580)	(687,715)
Other operating income		217,523	-
<b>Operating profit</b>	<b>3</b>	<b>4,206,019</b>	<b>548,558</b>
Other interest receivable and similar income	4	107,981	44,773
Interest payable and similar charges	5	67,963	-
<b>Profit on ordinary activities before taxation</b>		<b>4,381,963</b>	<b>593,331</b>
Tax on profit on ordinary activities	6	(1,018,431)	(158,884)
<b>Profit for the year</b>	<b>13</b>	<b>3,363,532</b>	<b>434,447</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

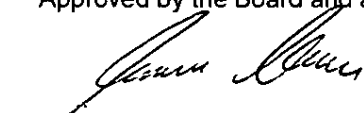
# GENERAL INSURANCE BROKERS (UK) PLC

## BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Tangible assets	7		238,761		217,699
<b>Current assets</b>					
Debtors	8	3,484,123		1,865,121	
Cash at bank and in hand		6,523,429		3,084,600	
		<u>10,007,552</u>		<u>4,949,721</u>	
Creditors, amounts falling due within one year	9	(4,945,201)		(3,231,870)	
<b>Net current assets</b>			<u>5,062,351</u>		<u>1,717,851</u>
<b>Total assets less current liabilities</b>			<u>5,301,112</u>		<u>1,935,550</u>
<b>Provisions for liabilities</b>	10		(10,127)		(8,097)
			<u>5,290,985</u>		<u>1,927,453</u>
<b>Capital and reserves</b>					
Called up share capital	12	50,000		50,000	
Profit and loss account	13	5,240,985		1,877,453	
<b>Shareholders' funds</b>	14	<u>5,290,985</u>		<u>1,927,453</u>	

Approved by the Board and authorised for issue on 27/06/2014

  
Sameer Mirza  
Director

Company Registration No 02106087

# GENERAL INSURANCE BROKERS (UK) PLC

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	£	£
<b>Net cash inflow/(outflow) from operating activities</b>	<b>3,457,259</b>	<b>(1,140,552)</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	107,981	44,773
Interest paid	67,963	-
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>175,944</b>	<b>44,773</b>
<b>Taxation</b>	<b>(146,144)</b>	<b>(70,703)</b>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(40,912)	(20,872)
Receipts from sales of tangible assets	1,000	-
<b>Net cash outflow for capital expenditure</b>	<b>(39,912)</b>	<b>(20,872)</b>
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>	<b>3,447,147</b>	<b>(1,187,354)</b>
<b>Increase/(decrease) in cash in the year</b>	<b>3,447,147</b>	<b>(1,187,354)</b>

# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

<b>1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities</b>	<b>2013</b>	<b>2012</b>		
	<b>£</b>	<b>£</b>		
Operating profit	4,206,019	548,558		
Depreciation of tangible assets	19,128	13,046		
Profit on disposal of tangible assets	(278)	-		
Increase in debtors	(1,619,002)	(1,532,490)		
Increase/(decrease) in creditors within one year	851,392	(169,666)		
<b>Net cash inflow/(outflow) from operating activities</b>	<b>3,457,259</b>	<b>(1,140,552)</b>		
<b>2 Analysis of net funds</b>	<b>1 January 2013</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>31 December 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net cash				
Cash at bank and in hand	3,084,600	3,438,829	-	6,523,429
Bank overdrafts	(8,318)	8,318	-	-
	3,076,282	3,447,147	-	6,523,429
Bank deposits	-	-	-	-
<b>Net funds</b>	<b>3,076,282</b>	<b>3,447,147</b>	<b>-</b>	<b>6,523,429</b>
<b>3 Reconciliation of net cash flow to movement in net funds</b>	<b>2013</b>	<b>2012</b>		
	<b>£</b>	<b>£</b>		
Increase/(decrease) in cash in the year	3,447,147	(1,187,354)		
<b>Movement in net funds in the year</b>	<b>3,447,147</b>	<b>(1,187,354)</b>		
Opening net funds	3,076,282	4,263,636		
<b>Closing net funds</b>	<b>6,523,429</b>	<b>3,076,282</b>		

# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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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 receivable

#### 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 40 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 2013

<b>3</b>	<b>Operating profit</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging		
	Depreciation of tangible assets	19,128	13,046
	Loss on foreign exchange transactions	-	2,465
	Fees payable to the company's auditor for the audit of the company's annual accounts	9,000	7,200
	Remuneration of auditors for non-audit work	4,183	3,422
	and after crediting		
	Profit on disposal of tangible assets	(278)	-
	Profit on foreign exchange transactions	(177)	-
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Investment income</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Bank interest	24,156	24,574
	Other interest	83,825	20,199
		<u>          </u>	<u>          </u>
		107,981	44,773
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest payable</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Other interest	(67,963)	-
		<u>          </u>	<u>          </u>

# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

6	Taxation	2013 £	2012 £
	<b>Domestic current year tax</b>		
	U K corporation tax	1,016,401	146,144
	Adjustment for prior years	-	14,854
	<b>Total current tax</b>	<b>1,016,401</b>	<b>160,998</b>
	<b>Deferred tax</b>		
	Deferred tax (credit)/charge current year	2,030	(2,114)
		<b>1,018,431</b>	<b>158,884</b>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	4,381,963	593,331
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2012 - 24.00%)	1,007,851	142,399
	Effects of		
	Non deductible expenses	346	-
	Depreciation add back	4,336	3,131
	Capital allowances	(6,913)	(737)
	Adjustments to previous periods	-	14,854
	Other tax adjustments	10,781	1,351
		<b>8,550</b>	<b>18,599</b>
	<b>Current tax charge for the year</b>	<b>1,016,401</b>	<b>160,998</b>

# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

### 7 Tangible fixed assets

	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2013	201,409	151,198	13,980	366,587
Additions	-	25,066	15,846	40,912
Disposals	-	-	(13,980)	(13,980)
At 31 December 2013	201,409	176,264	15,846	393,519
<b>Depreciation</b>				
At 1 January 2013	32,449	103,181	13,258	148,888
On disposals	-	-	(13,258)	(13,258)
Charge for the year	4,224	10,962	3,942	19,128
At 31 December 2013	36,673	114,143	3,942	154,758
<b>Net book value</b>				
At 31 December 2013	164,736	62,121	11,904	238,761
At 31 December 2012	168,960	48,017	722	217,699

Leasehold land and buildings consists of long leasehold premises

8 Debtors	2013 £	2012 £
Other debtors	3,147,140	1,565,789
Prepayments and accrued income	336,983	299,332
	<u>3,484,123</u>	<u>1,865,121</u>
Amounts falling due after more than one year and included in the debtors above are		
	2013 £	2012 £
Amounts owed by related party	<u>3,145,590</u>	<u>1,565,789</u>



# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

9	Creditors: amounts falling due within one year	2013 £	2012 £
	Bank loans and overdrafts	-	8,318
	Trade creditors	3,082,968	2,765,243
	Corporation tax	1,016,401	146,144
	Other taxes and social security costs	12,814	11,002
	Other creditors	7,127	7,127
	Accruals and deferred income	825,891	294,036
		<u>4,945,201</u>	<u>3,231,870</u>

### 10 Provisions for liabilities

Deferred tax  
liability  
£

Balance at 1 January 2013	8,097
Profit and loss account	2,030
Balance at 31 December 2013	<u>10,127</u>

The deferred tax liability is made up as follows

	2013 £	2012 £
Accelerated capital allowances	<u>10,127</u>	<u>8,097</u>

### 11 Pension and other post-retirement benefit commitments Defined contribution

	2013 £	2012 £
Contributions payable by the company for the year	<u>2,400</u>	<u>2,400</u>

### 12 Share capital

	2013 £	2012 £
Allotted, called up and fully paid 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 2013

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

	Profit and loss account £
Balance at 1 January 2013	1,877,453
Profit for the year	3,363,532
Balance at 31 December 2013	5,240,985

#### 14 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	3,363,532	434,447
Opening shareholders' funds	1,927,453	1,493,006
Closing shareholders' funds	5,290,985	1,927,453

#### 15 Directors' remuneration

	2013 £	2012 £
Remuneration for qualifying services	102,046	97,500
Company pension contributions to defined contribution schemes	1,200	1,200
	103,246	98,700

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2012 - 1)

# GENERAL INSURANCE BROKERS (UK) PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

### 16 Employees

#### Number of employees

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

	2013 Number	2012 Number
Administration	17	15

#### Employment costs

	2013 £	2012 £
Wages and salaries	436,687	364,209
Social security costs	41,624	36,100
Other pension costs	2,400	2,400
	480,711	402,709

### 17 Control

The company is ultimately controlled by the director Sameer Mirza

### 18 Related party relationships and transactions

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 rent of £1,000 (2012 £1,000) was paid to her on an arms length basis.

Included in other debtors is a loan of £3,145,590 (2012 £1,565,789) to GIB Properties Limited, a company owned by one of the directors. The company has charged interest of 2.5% above base rate on the loan and the loan is repayable after more than one year. During the year the company charged interest of £83,650 (2012 £20,199) on the loan.

Included in other creditors is a balance of £7,127 (2012 £7,127) owed to the Company's funded unapproved retirement benefit scheme.

The company occupies a building owned by the directors and their immediate families. During the year rent of £49,740 (2012 £30,000) was paid to the directors and their immediate families on an arms length basis.