



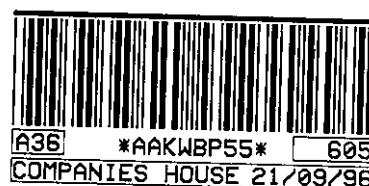
BDO Stoy Hayward
Chartered Accountants

MORGAN LAW LIMITED

ABBREVIATED ACCOUNTS

**for the year ended
31 December 1995**

Company Number 2696420



BDO Stoy Hayward firms also in the South East, Ayr, Bacup, Belfast, Birmingham, Bristol, Bury St. Edmunds, Cardiff, Edinburgh, Glasgow, Ipswich, Leeds, Manchester, Newcastle-upon-Tyne, Newmarket, Norwich, Nottingham, Peterborough, Poole, Rochdale, Saltcoats, Sheffield, Southampton, Stranraer, Sunderland, Wolverhampton.

BDO Stoy Hayward – South East Firm has Offices in London, Bromley, Chelmsford, Epsom, Reading, Richmond, Ware and Wembley.

DIRECTORS

PA Smith
KF Watson

SECRETARY

JE Miller

REGISTERED OFFICE

70 High Street
Colchester
Essex
CO1 1UE

AUDITORS

BDO Stoy Hayward
87 Guildhall Street
Bury St Edmunds
Suffolk
IP33 1PU

BANKERS

Lloyds Bank plc
Black Horse House
Tollgate East
Stanway
Colchester
Essex
CO3 5RQ

SOLICITORS

Greenwood, Page and Ward
70 High Street
Colchester
Essex
CO1 1UE

AUDITORS' REPORT
to the directors of Morgan Law Limited
pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the full financial statements of Morgan Law Limited for the year ended 31 December 1995. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 3 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the directors are entitled under Sections 246 to 247 of the Companies Act 1985 to the exemptions conferred in Section A of Part III of Schedule 8 to that Act in respect of the year ended 31 December 1995, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

On 6 June 1996 we reported, as auditors of Morgan Law Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1995 and our audit report was as follows:

We have audited the financial statements on pages 5 to 12 which have been prepared on the basis of the accounting policies set out on pages 7 and 8.

Respective responsibilities

As described on page 2 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.

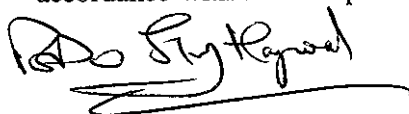
Basis of opinion

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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditors

6 June 1996

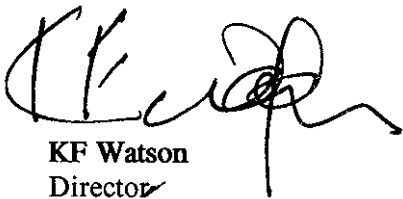
BALANCE SHEET
as at 31 December 1995

| | Notes | £ | 1995 £ | £ | 1994 £ |
|--|-------|--------------------|-----------------|--------------------|------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 2 | | 68,175 | | 78,275 |
| Tangible assets | 3 | | 241,883 | | 264,165 |
| Investments | | | 1,260 | | 1,260 |
| | | | <u>311,318</u> | | <u>343,700</u> |
| CURRENT ASSETS | | | | | |
| Stocks | | 3,230 | | 4,648 | |
| Debtors | | 766,253 | | 918,367 | |
| Cash at bank and in hand | | 1,136,875 | | 1,094,357 | |
| | | <u>1,906,358</u> | | <u>2,017,372</u> | |
| CREDITORS: amounts falling due within one year | | <u>(1,946,940)</u> | | <u>(2,145,381)</u> | |
| Net Current Liabilities | | | <u>(40,582)</u> | | <u>(128,009)</u> |
| Total Assets less Current Liabilities | | | <u>270,736</u> | | <u>215,691</u> |
| CREDITORS: amounts falling due after more than one year | | | <u>(19,142)</u> | | <u>(31,588)</u> |
| Net Assets | | | <u>251,594</u> | | <u>184,103</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 4 | | 1,000 | | 1,000 |
| Profit and loss account | | | 250,594 | | 183,103 |
| Shareholder's Funds | | | <u>251,594</u> | | <u>184,103</u> |

All shareholder's funds are attributable to equity interests.

We have relied on Sections 246 and 247 of the Companies Act 1985, entitling us to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, and we do so on the grounds that the company is entitled to the benefit of these sections as a small company.

The abbreviated accounts on pages 3 to 6 were approved by the Board on



KF Watson
Director

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents brokerage and fees in respect of premiums received from clients net of related taxes in the United Kingdom.

Insurance debtors and creditors

Insurance debtors and creditors include amounts due from or to a party with whom the company settles in the normal course of business.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of the business and the aggregate fair value of its separable net assets. The cost of goodwill is being amortised over its estimated economic life of 10 years.

Tangible fixed assets and depreciation

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

| | |
|----------------------------------|----------------|
| Motor vehicles | - over 4 years |
| Fixtures, fittings and equipment | - over 4 years |
| Computer equipment | - over 4 years |

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and leases which result in the transfer to the company of substantially all the risks and rewards of ownership (finance leases) are capitalised as tangible fixed assets at the estimated present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease or hire purchase contract so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each period.

Rentals paid under other leases (operating leases) are charged against income on a straight line basis over the lease term.

Pension costs

The company operates a number of money purchase defined contributions schemes. Contributions are charged in the profit and loss account as they arise.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 1995

1 ACCOUNTING POLICIES *continued***Compliance with accounting standards**

The financial statements have been prepared in accordance with applicable accounting standards.

2 INTANGIBLE FIXED ASSETS**Goodwill****Cost**

| | |
|-------------------------------------|----------------|
| 1 January 1995 and 31 December 1995 | <u>101,000</u> |
|-------------------------------------|----------------|

Amortisation

| | |
|----------------|--------|
| 1 January 1995 | 22,725 |
|----------------|--------|

| | |
|---------------------|---------------|
| Charge for the year | <u>10,100</u> |
|---------------------|---------------|

| | |
|------------------|---------------|
| 31 December 1995 | <u>32,825</u> |
|------------------|---------------|

Net book value

| | |
|---------------------|---------------|
| At 31 December 1995 | <u>68,175</u> |
|---------------------|---------------|

| | |
|------------------|---------------|
| 31 December 1994 | <u>78,275</u> |
|------------------|---------------|

3 TANGIBLE FIXED ASSETS

| Summary | Motor vehicles £ | Fixtures, fittings and equipment £ | Computer equipment £ | Total £ |
|---------------------------------|---------------------------------|---|-------------------------------------|--------------------|
| Cost | | | | |
| 1 January 1995 | 267,729 | 38,569 | 50,081 | 356,379 |
| Additions | 129,167 | 2,352 | - | 131,519 |
| Disposals | (88,095) | - | - | (88,095) |
| 31 December 1995 | <u>308,801</u> | <u>40,921</u> | <u>50,081</u> | <u>399,803</u> |
| Depreciation | | | | |
| 1 January 1995 | 47,949 | 17,417 | 26,848 | 92,214 |
| Charge for the year | 70,648 | 9,947 | 12,520 | 93,115 |
| Disposals | (27,409) | - | - | (27,409) |
| 31 December 1995 | <u>91,188</u> | <u>27,364</u> | <u>39,368</u> | <u>157,920</u> |
| Net book value | | | | |
| Owned assets | 167,954 | 13,557 | 10,713 | 192,224 |
| Hire purchase and leased assets | 49,659 | - | - | 49,659 |
| 31 December 1995 | <u>217,613</u> | <u>13,557</u> | <u>10,713</u> | <u>241,883</u> |
| Owned assets | 174,175 | 21,152 | 23,233 | 218,560 |
| Hire purchase and leased assets | 45,605 | - | - | 45,605 |
| 31 December 1994 | <u>219,780</u> | <u>21,152</u> | <u>23,233</u> | <u>264,165</u> |

NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 December 1995

4 CALLED UP SHARE CAPITAL

| | 1995 Number | Authorised 1994 Number | 1995 £ | Allotted and fully paid 1994 £ |
|-------------|----------------|------------------------------|--------------|---|
| £1 Ordinary | <u>10,000</u> | <u>10,000</u> | <u>1,000</u> | <u>1,000</u> |

5 PARENT COMPANY

Morgan Law (Holdings) Limited, a company registered in England and Wales, is the company's parent company.

Morgan Law (Holdings) Limited is the parent undertaking of the only group of which Morgan Law Limited is a member and for which group accounts are drawn up. Copies of those group accounts have been delivered to, and are available from, the Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.