

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2003

FOR

BIB (DARLINGTON) LIMITED



BIB (DARLINGTON) LIMITED

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FOR THE YEAR ENDED 31 OCTOBER 2003**

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BIB (DARLINGTON) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2003**

DIRECTORS: M P Littleton
P Atkinson
C D Carter
B Jackson

SECRETARY: P Atkinson

REGISTERED OFFICE: 150 - 154 Northgate
Darlington
Co. Durham
DL1 1QU

REGISTERED NUMBER: 1600910 (England and Wales)

AUDITORS: Baines Jewitt
Registered Auditors
Barrington House
41 - 45 Yarm Lane
Stockton on Tees
Cleveland
TS18 3EA

BANKERS: Barclays Bank PLC
Tees Corporate Banking Centre
PO Box 235
Teesdale Business Park
Stockton on Tees
TS17 6YJ

BIB (DARLINGTON) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 OCTOBER 2003

The directors present their report with the accounts of the company for the year ended 31 October 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of insurance broker and financial advisor.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts.

DIVIDENDS

An interim dividend of £8 per share was paid on 30 April 2003. A further interim dividend of £8 per share was paid 31 October 2003, making a total of £16 per share for the year ended 31 October 2003.

The total distribution of dividends for the year ended 31 October 2003 will be £160,000.

DIRECTORS

The directors during the year under review were:

M P Littleton
P Atkinson
C D Carter
B Jackson

The beneficial interests of the directors holding office on 31 October 2003 in the issued share capital of the company were as follows:

	31.10.03	1.11.02
Ordinary shares £1 shares		
M P Littleton	4,000	4,000
P Atkinson	3,000	3,000
C D Carter	2,000	3,000
B Jackson	-	-

PURCHASE OF OWN SHARES

During the year, an agreement was reached with a director, Mr C D Carter, for the company to purchase his shareholding for a consideration of £150,000. In August 2003, 1000 Ordinary Shares were purchased for £50,000. A further 2000 Ordinary Shares will be purchased for £100,000 on 1 April 2004, on condition that the company meets all financial requirements of its regulatory body, The Financial Services Authority, on that date.

STATEMENT OF 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;
- 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.

BIB (DARLINGTON) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2003**

AUDITORS

The auditors, Baines Jewitt, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
P Atkinson - Secretary

Date: *26 May 04*

**REPORT OF THE INDEPENDENT AUDITORS TO
BIB (DARLINGTON) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages five to eighteen, together with the full financial statements of the company for the year ended 31 October 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

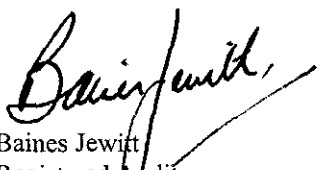
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to eighteen are properly prepared in accordance with that provision.



Baines Jewitt
Registered Auditors
Barrington House
41 - 45 Yarm Lane
Stockton on Tees
Cleveland
TS18 3EA

26 May 2004

BIB (DARLINGTON) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2003**

	Notes	2003		2002	
		£	£	£	£
TURNOVER			1,545,164		1,327,539
Continuing operations		1,475,475		1,327,539	
Acquisitions		69,689		-	
		<u>1,545,164</u>		<u>1,327,539</u>	
GROSS PROFIT	2		1,545,164		1,327,539
Net operating expenses	2		1,285,151		1,122,992
OPERATING PROFIT	4		260,013		204,547
Continuing operations		267,529		204,547	
Acquisitions		(7,516)		-	
		<u>260,013</u>		<u>204,547</u>	
Income from fixed asset investments		-		46	
Interest receivable and similar income		13,686		22,884	
			<u>13,686</u>		<u>22,930</u>
			273,699		227,477
Interest payable and similar charges	5		1,808		-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			271,891		227,477
Tax on profit on ordinary activities	6		75,086		65,029
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			196,805		162,448
Dividends	7		160,000		100,000
RETAINED PROFIT FOR THE YEAR			36,805		62,448

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these abbreviated accounts

BIB (DARLINGTON) LIMITED

**ABBREVIATED BALANCE SHEET
31 OCTOBER 2003**

	Notes	2003		2002	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		18,334		-
Tangible assets	9		115,261		16,490
Investments	10		3,342		3,342
			<u>136,937</u>		<u>19,832</u>
CURRENT ASSETS					
Debtors	11	779,798		1,011,564	
Cash at bank		754,764		543,055	
			<u>1,534,562</u>	<u>1,554,619</u>	
CREDITORS					
Amounts falling due within one year	12	1,356,016		1,317,429	
			<u>178,546</u>		<u>237,190</u>
NET CURRENT ASSETS					
			<u>315,483</u>		<u>257,022</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	13		(77,617)		-
PROVISIONS FOR LIABILITIES AND CHARGES					
	15		(30,167)		(36,128)
			<u>207,699</u>		<u>220,894</u>

The notes form part of these abbreviated accounts

BIB (DARLINGTON) LIMITED

ABBREVIATED BALANCE SHEET - continued
31 OCTOBER 2003

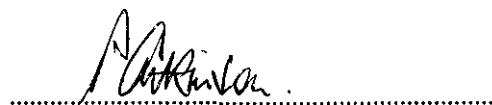
	Notes	2003		2002	
		£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	16		9,000		10,000
Capital redemption reserve	17		1,000		-
Profit and loss account	17		197,699		210,894
			<u>207,699</u>		<u>220,894</u>
SHAREHOLDERS' FUNDS	18		<u>207,699</u>		<u>220,894</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



M P Littleton - Director



P Atkinson - Director

Approved by the Board on 06 May 04

The notes form part of these abbreviated accounts

BIB (DARLINGTON) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2003**

	Notes	2003		2002	
		£	£	£	£
Net cash inflow from operating activities	1		514,665		183,084
Returns on investments and servicing of finance	2		11,878		22,930
Taxation			(64,286)		(31,348)
Capital expenditure and financial investment	2		(31,297)		(3,392)
Equity dividends paid			(160,000)		(100,000)
			270,960		71,274
Financing	2		(59,251)		-
Increase in cash in the period			211,709		71,274
Reconciliation of net cash flow to movement in net funds					
	3				
Increase in cash in the period		211,709		71,274	
Cash inflow from increase in debt and lease financing		(104,582)		-	
Change in net funds resulting from cash flows			107,127		71,274
Movement in net funds in the period			107,127		71,274
Net funds at 1 November			543,055		471,781
Net funds at 31 October			650,182		543,055

The notes form part of these abbreviated accounts

BIB (DARLINGTON) LIMITED**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2003****1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2003	2002
	£	£
Operating profit	260,013	204,547
Depreciation charges	28,025	6,771
Profit on disposal of fixed assets	-	(2,922)
Decrease in provisions	(14,258)	(23,872)
Decrease/(Increase) in debtors	231,766	(161,930)
Increase in creditors	9,119	160,490
Net cash inflow from operating activities	<u><u>514,665</u></u>	<u><u>183,084</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2003	2002
	£	£
Returns on investments and servicing of finance		
Interest received	13,686	22,884
Interest element of hire purchase payments	(1,808)	-
Dividends received	-	46
Net cash inflow for returns on investments and servicing of finance	<u><u>11,878</u></u>	<u><u>22,930</u></u>
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(27,500)	-
Purchase of tangible fixed assets	(3,797)	(4,280)
Purchase of fixed asset investments	-	(2,034)
Sale of fixed asset investments	-	2,922
Net cash outflow for capital expenditure and financial investment	<u><u>(31,297)</u></u>	<u><u>(3,392)</u></u>
Financing		
Capital repayments in year	(9,251)	-
Share buyback	(50,000)	-
Net cash outflow from financing	<u><u>(59,251)</u></u>	<u><u>-</u></u>

The notes form part of these abbreviated accounts

BIB (DARLINGTON) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2003

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.11.02 £	Cash flow £	At 31.10.03 £
Net cash:			
Cash at bank	543,055	211,709	754,764
	<u>543,055</u>	<u>211,709</u>	<u>754,764</u>
Debt:			
Hire purchase	-	(104,582)	(104,582)
	<u>-</u>	<u>(104,582)</u>	<u>(104,582)</u>
Total	<u>543,055</u>	<u>107,127</u>	<u>650,182</u>

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003****1. ACCOUNTING POLICIES****Accounting convention**

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

Turnover

Turnover represents commissions receivable in respect of policies incepted during the financial year. Provisions are made for clawbacks of commissions earned on an indemnity basis.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2002, has been written off over its estimated useful life of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Office equipment	- at varying rates on cost
Motor vehicles	- 25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Investments

Investments are stated at cost less any provision for permanent diminution in value.

2. ANALYSIS OF OPERATIONS

	Continuing	2003 Acquisitions	Total
	£	£	£
Gross profit	<u>1,475,475</u>	<u>69,689</u>	<u>1,545,164</u>
Net operating expenses:			
Administrative expenses	<u>1,207,946</u>	<u>77,205</u>	<u>1,285,151</u>
	£		

BIB (DARLINGTON) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2003**

2. ANALYSIS OF OPERATIONS - continued

	<i>Continuing</i> £	<i>2002</i> <i>Acquisitions</i> £	<i>Total</i> £
Gross profit	<u>1,327,539</u>	<u>-</u>	<u>1,327,539</u>
Net operating expenses:			
Administrative expenses	<u>1,122,992</u>	<u>-</u>	<u>1,122,992</u>

3. STAFF COSTS

	<i>2003</i> £	<i>2002</i> £
Wages and salaries	668,255	613,580
Social security costs	63,031	52,392
Other pension costs	54,764	44,591
	<u>786,050</u>	<u>710,563</u>

The average monthly number of employees during the year was as follows:

	<i>2003</i>	<i>2002</i>
Management	4	4
Administration	41	41
	<u>45</u>	<u>45</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	<i>2003</i> £	<i>2002</i> £
Other operating leases	72,831	85,426
Depreciation - owned assets	7,062	6,771
Depreciation - assets on hire purchase contracts	11,797	-
Profit on disposal of fixed assets	-	(2,922)
Goodwill written off	9,166	-
Auditors remuneration	<u>5,640</u>	<u>4,700</u>
Directors' emoluments	107,359	110,053
Directors' pension contributions to money purchase schemes	<u>24,000</u>	<u>14,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

	<i>2003</i>	<i>2002</i>
Money purchase schemes	<u>3</u>	<u>3</u>

BIB (DARLINGTON) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2003**

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Hire purchase	<u>1,808</u>	<u>-</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2003	2002
	£	£
Current tax:		
UK corporation tax	66,789	64,286
Underprovision in prior year	-	743
Total current tax	<u>66,789</u>	<u>65,029</u>
Deferred tax	<u>8,297</u>	<u>-</u>
Tax on profit on ordinary activities	<u>75,086</u>	<u>65,029</u>

UK corporation tax has been charged at 24.90%

7. DIVIDENDS

	2003	2002
	£	£
Equity shares:		
Interim	<u>160,000</u>	<u>100,000</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 November 2002	24,672
Additions	<u>27,500</u>
At 31 October 2003	<u>52,172</u>
AMORTISATION	
At 1 November 2002	24,672
Amortisation for year	<u>9,166</u>
At 31 October 2003	<u>33,838</u>
NET BOOK VALUE	
At 31 October 2003	<u>18,334</u>
At 31 October 2002	<u>-</u>

BIB (DARLINGTON) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2003**

9. TANGIBLE FIXED ASSETS

	Office equipment £	Motor vehicles £	Totals £
COST			
At 1 November 2002	188,471	-	188,471
Additions	15,385	102,245	117,630
At 31 October 2003	<u>203,856</u>	<u>102,245</u>	<u>306,101</u>
DEPRECIATION			
At 1 November 2002	171,981	-	171,981
Charge for year	7,706	11,153	18,859
At 31 October 2003	<u>179,687</u>	<u>11,153</u>	<u>190,840</u>
NET BOOK VALUE			
At 31 October 2003	<u>24,169</u>	<u>91,092</u>	<u>115,261</u>
<i>At 31 October 2002</i>	<u>16,490</u>	<u>-</u>	<u>16,490</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Office equipment £	Motor vehicles £	Totals £
COST			
Additions	11,588	102,245	113,833
At 31 October 2003	<u>11,588</u>	<u>102,245</u>	<u>113,833</u>
DEPRECIATION			
Charge for year	644	11,153	11,797
At 31 October 2003	<u>644</u>	<u>11,153</u>	<u>11,797</u>
NET BOOK VALUE			
At 31 October 2003	<u>10,944</u>	<u>91,092</u>	<u>102,036</u>

10. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 November 2002 and 31 October 2003	3,342
NET BOOK VALUE	
At 31 October 2003	<u>3,342</u>
<i>At 31 October 2002</i>	<u>3,342</u>

BIB (DARLINGTON) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2003**

11. DEBTORS

	2003 £	2002 £
Amounts falling due within one year:		
Trade debtors	576,312	681,157
Amounts owed by participating interests	-	175,961
Prepayments and accrued income	46,739	47,699
	<u>623,051</u>	<u>904,817</u>
Amounts falling due after more than one year:		
Amounts owed by participating interests	156,747	106,747
	<u>156,747</u>	<u>106,747</u>
Aggregate amounts	<u>779,798</u>	<u>1,011,564</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Hire purchase contracts (see note 14)	26,965	-
Trade creditors - insurance	970,954	1,162,918
Trade creditors - expenses	14,472	11,332
Amounts owed to participating interests	184,012	-
Tax	66,789	64,286
Social security and other taxes	17,796	19,866
Accrued expenses	75,028	59,027
	<u>1,356,016</u>	<u>1,317,429</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £	2002 £
Hire purchase contracts (see note 14)	77,617	-
	<u>77,617</u>	<u>-</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2003 £	2002 £
Net obligations repayable:		
Within one year	26,965	-
Between one and five years	77,617	-
	<u>104,582</u>	<u>-</u>

BIB (DARLINGTON) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2003**

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following payments are committed to be paid within one year:

	Operating- leases	
	2003 £	2002 £
Expiring:		
Within one year	1,935	30,171
Between one and five years	21,041	17,892
	<u>22,976</u>	<u>48,063</u>

15. PROVISION FOR LIABILITIES AND CHARGES

	2003 £	2002 £
Deferred tax	8,297	-
Compensation provision	21,870	36,128
	<u>30,167</u>	<u>36,128</u>

	Deferred tax £	Provision for claims £
Balance at 1 November 2002	-	36,128
Accelerated capital allowances	8,297	-
Compensation paid	-	(14,258)
Balance at 31 October 2003	<u>8,297</u>	<u>21,870</u>

16. CALLED UP SHARE CAPITAL

Authorised:			2003	2002
Number:	Class:	Nominal value:	£	£
10,000	Ordinary shares	£1	<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid:			2003	2002
Number:	Class:	Nominal value:	£	£
10,000	Ordinary shares	£1	<u>9,000</u>	<u>10,000</u>

BIB (DARLINGTON) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2003**

17. RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 November 2002	210,894	-	210,894
Retained profit for the year	36,805	-	36,805
Purchase of own shares	(50,000)	1,000	(49,000)
At 31 October 2003	<u>197,699</u>	<u>1,000</u>	<u>198,699</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	196,805	162,448
Dividends	(160,000)	(100,000)
Purchase of own shares	<u>36,805</u> (50,000)	<u>62,448</u> -
Net (reduction)/addition to shareholders' funds	(13,195)	62,448
Opening shareholders' funds	<u>220,894</u>	<u>158,446</u>
Closing shareholders' funds	<u>207,699</u>	<u>220,894</u>
Equity interests	<u>207,699</u>	<u>220,894</u>