

Company Registration Number 914492

Chantrey Vellacott DFK LLP

European Insurance and Reinsurance
Brokers Limited

Financial statements

31 December 2006

FRIDAY



A41 *A04EVSDS* 544
24/08/2007
COMPANIES HOUSE

European Insurance and Reinsurance Brokers Limited

Financial statements

Year ended 31 December 2006

Contents	Page
Officers and professional advisers	1
Directors' report	2
Independent auditor's report to the shareholders	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

European Insurance and Reinsurance Brokers Limited

Officers and professional advisers

Board of directors

Mr N Zarfati
Mr RG Milanova
Mr RI Yantchev
Mr TT Major

Company secretary

Mr J P Newcombe

Registered office

8-11 Crescent
London
EC3N 2LY

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants
Registered Auditor
Russell Square House
10 - 12 Russell Square
London
WC1B 5LF

Chantrey Vellacott DFK LLP

European Insurance and Reinsurance Brokers Limited

Directors' report

Year ended 31 December 2006

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 31 December 2006

Principal activities and business review

The company trades as an insurance and reinsurance broker with particular reference to Bulgarian trade. The business continues without significant change.

Results and dividends

The profit for the year, after taxation, amounted to £15,312. The directors have not recommended a dividend.

Directors

The directors who served the company during the year were as follows:

Mr N Zarfati
Mr RG Milanova
Mr RI Yantchev
Mr TT Major

Directors' responsibilities

The directors are responsible for preparing the annual 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). The financial statements are required by law to 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 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 that 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

European Insurance and Reinsurance Brokers Limited

Directors' report *(continued)*

Year ended 31 December 2006

Auditor

A resolution to re-appoint Chantrey Vellacott DFK LLP as auditor for the ensuing year will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'J P Newcombe', written over a horizontal line.

Mr J P Newcombe
Company Secretary

Approved by the directors on 29 March 2007

Chantrey Vellacott DFK LLP

European Insurance and Reinsurance Brokers Limited

**Independent auditor's report to the shareholders of
European Insurance and Reinsurance Brokers Limited**

Year ended 31 December 2006

We have audited the financial statements of European Insurance and Reinsurance Brokers Limited for the year ended 31 December 2006 on pages 6 to 12, which have been prepared on the basis of the accounting policies set out on page 8

This report is made solely to the company's shareholders, 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 shareholders 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 company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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.

European Insurance and Reinsurance Brokers Limited

**Independent auditor's report to the shareholders of
European Insurance and Reinsurance Brokers Limited *(continued)***

Year ended 31 December 2006

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 2006 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

Chantrey Vellacott DFK LLP
CHANTREY VELLACOTT DFK LLP

Chartered Accountants
Registered Auditor

London

29 March 2007

Chantrey Vellacott DFK LLP

European Insurance and Reinsurance Brokers Limited

Profit and loss account

Year ended 31 December 2006

	Note	2006 £	2005 £
Turnover	2	419,973	405,051
Administrative expenses		<u>409,757</u>	<u>394,961</u>
Operating profit	3	10,216	10,090
Interest receivable		12,500	3,700
Profit on ordinary activities before taxation		<u>22,716</u>	<u>13,790</u>
Tax on profit on ordinary activities	6	7,404	7,013
Profit for the financial year		<u>15,312</u>	<u>6,777</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

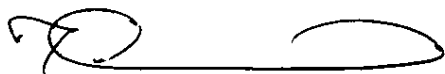
European Insurance and Reinsurance Brokers Limited

Balance sheet

31 December 2006

	Note	2006 £	2005 £
Current assets			
Debtors	7	1,689,939	1,123,028
Cash at bank		505,536	253,715
		<u>2,195,475</u>	<u>1,376,743</u>
Creditors amounts falling due within one year	8	<u>2,101,875</u>	<u>1,298,455</u>
Net current assets		93,600	78,288
Total assets less current liabilities		<u>93,600</u>	<u>78,288</u>
Capital and reserves			
Called up equity share capital	10	25,000	25,000
Profit and loss account	11	68,600	53,288
Shareholders' funds	12	<u>93,600</u>	<u>78,288</u>

These financial statements were approved by the directors on 29 March 2007 and were signed on their behalf by



Mr T T Major
Director

Chantrey Vellacott DFK LLP

The notes on pages 8 to 13 form part of these financial statements.

European Insurance and Reinsurance Brokers Limited

Notes to the financial statements

Year ended 31 December 2006

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Insurance broking assets and liabilities

The company acts as an agent in broking the insurance and reinsurance risks of its clients and, generally, is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationship with clients and underwriters, the company has followed generally accepted accounting practice for insurance intermediaries by showing debtors, creditors and cash balances relating to insurance business as assets and liabilities of the company itself

In the ordinary course of insurance broking business, settlement is required to be made with certain market settlement bureau or insurance intermediaries on the basis of the net balance due to or from the bureau or intermediary in question rather than the amount due to or from the individual third parties which it represents. However, under the Financial Reporting Standard No 5, assets and liabilities may not be offset unless net settlement is legally enforceable, insurance debtors and creditors are therefore shown gross within these financial statements

European Insurance and Reinsurance Brokers Limited

Notes to the financial statements

Year ended 31 December 2006

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2006 £	2005 £
United Kingdom	<u>419,973</u>	<u>405,051</u>

3 Operating profit

Operating profit is stated after charging/(crediting)

	2006 £	2005 £
Auditor's remuneration - as auditor	5,000	5,000
Net loss/(profit) on foreign currency translation	<u>9,373</u>	<u>(12,123)</u>

4 Particulars of employees

The average number of staff, including executive directors, employed by the company during the financial year can be analysed as follows

	2006 No	2005 No
Administrative	2	2
Management	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>

The aggregate payroll costs of the above were

	2006 £	2005 £
Wages and salaries	169,146	167,456
Social security costs	17,890	16,775
Other pension costs	33,240	30,417
	<u>220,276</u>	<u>214,648</u>

European Insurance and Reinsurance Brokers Limited

Notes to the financial statements

Year ended 31 December 2006

5 Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2006 £	2005 £
Emoluments receivable	98,529	94,150
Value of company pension contributions to money purchase schemes	21,695	20,832
	<u>120,224</u>	<u>114,982</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2006 No	2005 No
Money purchase schemes	<u>1</u>	<u>1</u>

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax		
UK Corporation tax based on the results for the year	7,613	6,847
Over/under provision in prior year	(209)	166
Total current tax	<u>7,404</u>	<u>7,013</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2005 - 19%)

	2006 £	2005 £
Profit on ordinary activities before taxation	<u>22,716</u>	<u>13,790</u>
Profit on ordinary activities multiplied by rate of tax	4,316	2,620
Expenses not deductible for tax purposes	4,105	4,227
Tax chargeable at lower rates	(808)	-
Adjustments to tax charge in respect of previous periods	(209)	166
Total current tax (note 6(a))	<u>7,404</u>	<u>7,013</u>

European Insurance and Reinsurance Brokers Limited

Notes to the financial statements

Year ended 31 December 2006

7 Debtors

	2006	2005
	£	£
Trade debtors	1,572,586	1,048,038
Amounts owed by group undertakings	6,390	4,289
Other debtors	110,782	69,850
Prepayments and accrued income	181	851
	<u>1,689,939</u>	<u>1,123,028</u>

8 Creditors amounts falling due within one year

	2006	2005
	£	£
Trade creditors	1,414,096	774,964
Amounts owed to group undertakings	345,312	392,095
Corporation tax	7,613	6,847
Other taxation and social security	6,728	7,193
Other creditors	259,243	54,746
Accruals and deferred income	68,883	62,610
	<u>2,101,875</u>	<u>1,298,455</u>

9 Related party transactions

The ultimate parent company is TBIH Financial Services NV, a company incorporated in the Netherlands

The parent company is Bulstrad Insurance & Reinsurance plc, a company incorporated in Bulgaria

Standing insurance balance due to the immediate parent undertaking amounted to £345,312
(2005 £392,095)

European Insurance and Reinsurance Brokers Limited

Notes to the financial statements

Year ended 31 December 2006

10 Share capital

Authorised share capital

	2006 £	2005 £
40,500 'A' ordinary shares of £1 each	40,500	40,500
9,500 'B' ordinary shares shares of £1 each	9,500	9,500
	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid

	2006		2005	
	No	£	No	£
'A' ordinary shares of £1 each	21,250	21,250	21,250	21,250
'B' ordinary shares shares of £1 each	3,750	3,750	3,750	3,750
	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

11 Profit and loss account

	2006 £	2005 £
Balance brought forward	53,288	46,511
Profit for the financial year	15,312	6,777
Balance carried forward	<u>68,600</u>	<u>53,288</u>

12 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	15,312	6,777
Opening shareholders' funds	78,288	71,511
Closing shareholders' funds	<u>93,600</u>	<u>78,288</u>