

**Report of the Director and
Financial Statements
for the Year Ended 31 December 2000
for
Nicholson White & Co Limited**



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for the Year Ended 31 December 2000**

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Nicholson White & Co Limited

**Company Information
for the Year Ended 31 December 2000**

SECRETARY: J R White

REGISTERED OFFICE: Byron House
102 Wimbledon Hill Road
London
SW19 7PB

REGISTERED NUMBER: 2747708

AUDITORS: Rothman Pantall & Co
Registered auditors
10 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

BANKERS: HSBC Bank plc
AIB Bank

**Report of the Director
for the Year Ended 31 December 2000**

The director presents report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of insurance broking.

REVIEW OF BUSINESS

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

DIVIDENDS

An interim dividend of £39 per share was paid on 14 August 2000. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2000 will be £39,000.

DIRECTOR

The director who has served during the year was M J White Mr M J White is also a director of the company's parent undertaking, Davron Management Ltd . His interest in the share capital of that company is shown in that company's directors' report .

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is required to

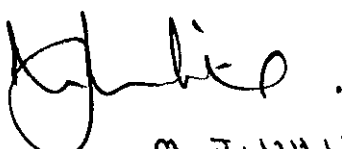
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable to ensure that the financial statements comply with the Companies Act 1985. is 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.

AUDITORS

The auditors, Rothman Pantall & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


..... M.J. WHITE
- DIRECTOR

Dated: 7 March 2001

Nicholson White & Co Limited

**Report of the Auditors to the Shareholders of
Nicholson White & Co Limited**

We have audited the financial statements on pages four to thirteen which have been prepared under the historical cost convention and the accounting policies set out on page nine.

Respective responsibilities of director and auditors

As described on page two the company's director is 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 director 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Rothman Pantall & Co
Registered auditors
10 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

Dated: 7 March 2001

Nicholson White & Co Limited

**Profit and Loss Account
for the Year Ended 31 December 2000**

	Notes	2000		1999	
		£	£	£	£
TURNOVER			677,575		564,730
Distribution costs		151,335		138,418	
Administrative expenses		336,148		322,393	
			487,483		460,811
OPERATING PROFIT	3		190,092		103,919
Interest receivable and similar income			16,846		17,523
			206,938		121,442
Interest payable and similar charges	4		33,457		2,035
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			173,481		119,407
Tax on profit on ordinary activities	5		38,000		22,546
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			135,481		96,861
Dividends	6		39,000		-
			96,481		96,861
Retained profit brought forward			371,934		275,073
RETAINED PROFIT CARRIED FORWARD			£468,415		£371,934

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

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 financial statements

Nicholson White & Co Limited

Balance Sheet
31 December 2000

		2000		1999	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		456,197		454,874
CURRENT ASSETS:					
Debtors	8	249,199		208,392	
Cash at bank and in hand		778,094		451,052	
		1,027,293		659,444	
CREDITORS: Amounts falling due within one year	9	658,256		518,837	
NET CURRENT ASSETS:			369,037		140,607
TOTAL ASSETS LESS CURRENT LIABILITIES:			825,234		595,481
CREDITORS: Amounts falling due after more than one year	10		355,819		222,547
			£469,415		£372,934
CAPITAL AND RESERVES:					
Called up share capital	14		1,000		1,000
Profit and loss account			468,415		371,934
SHAREHOLDERS' FUNDS:	16		£469,415		£372,934

ON BEHALF OF THE BOARD:


M. J. WHITE
- DIRECTOR

Approved by the Board on 7 March 2001

The notes form part of these financial statements

**Cash Flow Statement
for the Year Ended 31 December 2000**

	Notes	2000		1999	
		£	£	£	£
Net cash inflow from operating activities	1		303,968		113,991
Returns on investments and servicing of finance	2		(16,611)		15,488
Taxation			(27,768)		(31,546)
Capital expenditure	2		(34,986)		(449,989)
Equity dividends paid			(39,000)		-
			<u>185,603</u>		<u>(352,056)</u>
Financing	2		128,290		239,999
Increase/(Decrease) in cash in the period			<u>£313,893</u>		<u>£(112,057)</u>
Reconciliation of net cash flow to movement in net funds					
	3				
Increase/(Decrease) in cash in the period			313,893		(112,057)
Cash inflow from increase in debt and lease financing			<u>(128,290)</u>		<u>(239,999)</u>
Change in net funds resulting from cash flows			<u>185,603</u>		<u>(352,056)</u>
Movement in net funds in the period			<u>185,603</u>		<u>(352,056)</u>
Net funds at 1 January			<u>198,523</u>		<u>550,579</u>
Net funds at 31 December			<u>£384,126</u>		<u>£198,523</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	190,092	103,919
Depreciation charges	28,487	29,025
Loss on sale of fixed assets	5,176	14,941
Increase in debtors	(40,807)	(47,880)
Increase in creditors	121,020	13,986
Net cash inflow from operating activities	303,968	113,991

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

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	16,846	17,523
Interest paid	(32,325)	(450)
Interest element of hire purchase payments	(1,132)	(1,585)
Net cash (outflow)/inflow for returns on investments and servicing of finance	(16,611)	15,488
Capital expenditure		
Purchase of tangible fixed assets	(38,586)	(435,048)
Sale of tangible fixed assets	3,600	(14,941)
Net cash outflow for capital expenditure	(34,986)	(449,989)
Financing		
New loan taken out in year	150,000	250,000
Loan repayments in year	(21,710)	(10,001)
Net cash inflow from financing	128,290	239,999

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2000**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.00 £	Cash flow £	At 31.12.00 £
Net cash:			
Cash at bank and in hand	451,052	327,042	778,094
Bank overdraft	-	(13,149)	(13,149)
	<u>451,052</u>	<u>313,893</u>	<u>764,945</u>
Debt:			
Hire purchase	(4,982)	4,982	-
Debts falling due within one year	(25,000)	-	(25,000)
Debts falling due after one year	(222,547)	(133,272)	(355,819)
	<u>(252,529)</u>	<u>(128,290)</u>	<u>(380,819)</u>
Total	<u>198,523</u>	<u>185,603</u>	<u>384,126</u>
Analysed in Balance Sheet			
Cash at bank and in hand	451,052		778,094
Bank overdraft	-		(13,149)
Hire purchase			
within one year	(4,982)		-
Debts falling due within one year	(25,000)		(25,000)
Debts falling due after one year	(222,547)		(355,819)
	<u>198,523</u>		<u>384,126</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2000**

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents brokerage income in respect of insurance contracts based on the later of the date of inception of the policy and the date debited.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- 2% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

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 transaction. Exchange differences are taken into account in arriving at the operating result.

Pensions

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. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2000 £	1999 £
Wages and salaries	219,074	206,100
Social security costs	22,261	22,318
Other pension costs	69,000	69,000
	<u>310,335</u>	<u>297,418</u>

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

	2000	1999
Management and administration	4	3
Insurance broking	3	3
	<u>7</u>	<u>6</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2000**

3. OPERATING PROFIT

The operating profit is stated after charging:

	2000	1999
	£	£
Depreciation - owned assets	28,487	29,025
Loss on disposal of fixed assets	5,176	14,941
Auditors' remuneration	6,500	6,500
	<u> </u>	<u> </u>
Director's emoluments	97,332	96,187
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Bank interest	13,907	-
Loan interest	18,418	450
Hire purchase	1,132	1,585
	<u> </u>	<u> </u>
	33,457	2,035
	<u> </u>	<u> </u>

5. TAXATION

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

	2000	1999
	£	£
UK corporation tax	38,000	22,546
	<u> </u>	<u> </u>

6. DIVIDENDS

	2000	1999
	£	£
Equity shares:		
Interim paid	39,000	-
	<u> </u>	<u> </u>

Notes to the Financial Statements
for the Year Ended 31 December 2000

7. TANGIBLE FIXED ASSETS

	Leasehold property	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 2000	422,175	57,407	51,128	530,710
Additions	-	7,646	30,940	38,586
Disposals	-	-	(22,822)	(22,822)
At 31 December 2000	422,175	65,053	59,246	546,474
DEPRECIATION:				
At 1 January 2000	8,443	34,687	32,706	75,836
Charge for year	8,443	8,770	11,274	28,487
Eliminated on disposals	-	-	(14,046)	(14,046)
At 31 December 2000	16,886	43,457	29,934	90,277
NET BOOK VALUE:				
At 31 December 2000	405,289	21,596	29,312	456,197
At 31 December 1999	413,732	22,720	18,422	454,874

8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2000 £	1999 £
Trade debtors	224,527	186,954
Other debtors	354	354
Prepayments & accrued income	5,893	2,659
Amount due by parent undertaking	18,425	18,425
	249,199	208,392

9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdrafts (see note 11)	38,149	25,000
Hire purchase contracts (see note 12)	-	4,982
Trade creditors	563,238	439,311
Social security & other taxes	8,416	6,979
Taxation	38,232	28,000
Accrued expenses	10,221	14,565
	658,256	518,837

Notes to the Financial Statements
for the Year Ended 31 December 2000

10. **CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2000 £	1999 £
Bank loans (see note 11)	205,819	222,547
Unsecured loan (see note 11)	150,000	-
	<u>355,819</u>	<u>222,547</u>

11. **LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	2000 £	1999 £
Amounts falling due within one year or on demand:		
Bank overdrafts	13,149	-
Bank loans	25,000	25,000
	<u>38,149</u>	<u>25,000</u>

Amounts falling due between one and two years:

Bank loans	<u>25,000</u>	<u>25,000</u>
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Amounts falling due between two and five years:

Bank loans	<u>75,000</u>	<u>197,547</u>
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Amounts falling due in more than five years:

Repayable otherwise than by instalments		
Unsecured loan	<u>150,000</u>	-
Repayable by instalments		
Bank loans	<u>105,819</u>	-

The bank loan is repayable by 120 equal monthly instalments commencing in December 1999. Interest is charged at 1.8% above HSBC Bank plc base rate. The unsecured loan is repayable on 31 December 2009. Interest is charged at 3% over Barclays Bank plc base rate.

12. **OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	2000 £	1999 £
Gross obligations repayable:		
Within one year	<u>-</u>	<u>4,982</u>
Net obligations repayable:		
Within one year	<u>-</u>	<u>4,982</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2000**

13. SECURED DEBTS

The following secured debts are included within creditors:

	2000	1999
	£	£
Bank loans	<u>230,819</u>	<u>247,547</u>

The bank loan is secured by a fixed charge over the company's leasehold property.

14. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2000	1999
			£	£
1,000	Ordinary	1	<u>1,000</u>	<u>1,000</u>

15. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Davron Management Ltd., a company incorporated in the United Kingdom.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the financial year	135,481	96,861
Dividends	<u>(39,000)</u>	<u>-</u>
Net addition to shareholders' funds	96,481	96,861
Opening shareholders' funds	<u>372,934</u>	<u>276,073</u>
Closing shareholders' funds	<u>469,415</u>	<u>372,934</u>
Equity interests	<u>469,415</u>	<u>372,934</u>