

274708

**Report of the Director and
Financial Statements
for the Year Ended 31 December 2002
for
Nicholson White & Co Limited**



**Contents of the Financial Statements
for the Year Ended 31 December 2002**

	Page
Company Information	1
Report of the Director	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Cash Flow Statement	7
Notes to the Financial Statements	9
Profit and Loss Account	15

Nicholson White & Co Limited

**Company Information
for the Year Ended 31 December 2002**

DIRECTOR: M J White

SECRETARY: J R White

REGISTERED OFFICE: Clareville House
26/27 Oxendon Street
London
SW1Y 4EP

REGISTERED NUMBER: 2747708

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

**Report of the Director
for the Year Ended 31 December 2002**

The director presents his report with the financial statements of the company for the year ended 31 December 2002.

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 25 per share was paid on 5 July 2002. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2002 will be £25,000.

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

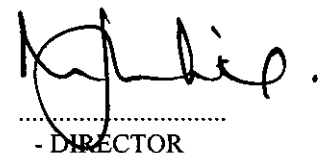
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 him to ensure that the financial statements comply with the Companies Act 1985. He 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:



.....
- DIRECTOR

Dated: 19 FEBRUARY 2003

Nicholson White & Co Limited

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

We have audited the financial statements of Nicholson White & Co Limited for the year ended 31 December 2002 on pages four to fourteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of director and auditors

As described on page two the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Report of the Director is not consistent with the financial statements, if 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 director's remuneration and transactions with the company is not disclosed.

We read the Report of the Director 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 United Kingdom 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 2002 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: 23 February 2003

Nicholson White & Co Limited

**Profit and Loss Account
for the Year Ended 31 December 2002**

		2002		2001	
	Notes	£	£	£	£
TURNOVER			1,019,367		873,756
Distribution costs		317,056		285,917	
Administrative expenses		431,772		311,856	
			748,828		597,773
OPERATING PROFIT	3		270,539		275,983
Interest receivable and similar income			15,990		16,888
			286,529		292,871
Amounts written off investments	4		28,000		-
			258,529		292,871
Interest payable and similar charges	5		22,774		28,143
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			235,755		264,728
Tax on profit on ordinary activities	6		53,000		54,000
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			182,755		210,728
Dividends	7		25,000		60,000
			157,755		150,728
Retained profit brought forward			619,143		468,415
RETAINED PROFIT CARRIED FORWARD			£776,898		£619,143

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

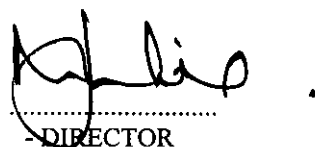
The company has no recognised gains or losses other than the profits for the current and previous years.

Nicholson White & Co Limited

Balance Sheet
31 December 2002

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		437,657		463,660
Investments	9		122,000		150,000
			<u>559,657</u>		<u>613,660</u>
CURRENT ASSETS:					
Debtors	10	573,165		504,675	
Cash at bank and in hand		898,431		1,100,915	
		<u>1,471,596</u>		<u>1,605,590</u>	
CREDITORS: Amounts falling due within one year	11	1,103,355		1,263,556	
		<u>1,103,355</u>		<u>1,263,556</u>	
NET CURRENT ASSETS:			<u>368,241</u>		<u>342,034</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>927,898</u>		<u>955,694</u>
CREDITORS: Amounts falling due after more than one year	12		150,000		335,551
			<u>150,000</u>		<u>335,551</u>
			<u>£777,898</u>		<u>£620,143</u>
CAPITAL AND RESERVES:					
Called up share capital	15		1,000		1,000
Profit and loss account			776,898		619,143
			<u>777,898</u>		<u>620,143</u>
SHAREHOLDERS' FUNDS:	17		<u>£777,898</u>		<u>£620,143</u>

ON BEHALF OF THE BOARD:


.....
DIRECTOR

Approved by the Board on 19 FEBRUARY 2003

Nicholson White & Co Limited

**Cash Flow Statement
for the Year Ended 31 December 2002**

	Notes	2002		2001	
		£	£	£	£
Net cash inflow from operating activities	1		106,026		626,904
Returns on investments and servicing of finance	2		(6,784)		(11,255)
Taxation			(53,094)		(37,798)
Capital expenditure	2		(3,347)		(24,235)
Equity dividends paid			(25,000)		(60,000)
			<u>17,801</u>		<u>493,616</u>
Financing	2		(210,551)		(20,268)
(Decrease)/Increase in cash in the period			<u>£(192,750)</u>		<u>£473,348</u>
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(192,750)		473,348	
Cash outflow from decrease in debt		<u>210,551</u>		<u>20,268</u>	
Change in net funds resulting from cash flows			<u>17,801</u>		<u>493,616</u>
Movement in net funds in the period			<u>17,801</u>		<u>493,616</u>
Net funds at 1 January			<u>727,742</u>		<u>234,126</u>
Net funds at 31 December			<u>£745,543</u>		<u>£727,742</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2002

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

	2002 £	2001 £
Operating profit	270,539	275,983
Depreciation charges	29,350	26,770
Profit on sale of fixed assets	-	(9,998)
Increase in debtors	(68,490)	(255,476)
(Decrease)/Increase in creditors	(125,373)	589,625
Net cash inflow from operating activities	<u>106,026</u>	<u>626,904</u>

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

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	15,990	16,888
Interest paid	(22,774)	(28,143)
Net cash outflow for returns on investments and servicing of finance	<u>(6,784)</u>	<u>(11,255)</u>
Capital expenditure		
Purchase of tangible fixed assets	(3,347)	(34,235)
Sale of tangible fixed assets	-	10,000
Net cash outflow for capital expenditure	<u>(3,347)</u>	<u>(24,235)</u>
Financing		
Loan repayments in year	(210,551)	(20,268)
Net cash outflow from financing	<u>(210,551)</u>	<u>(20,268)</u>

Nicholson White & Co Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2002**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.02 £	Cash flow £	At 31.12.02 £
Net cash:			
Cash at bank and in hand	1,100,915	(202,484)	898,431
Bank overdraft	(12,622)	9,734	(2,888)
	<u>1,088,293</u>	<u>(192,750)</u>	<u>895,543</u>
Debt:			
Debts falling due within one year	(25,000)	25,000	-
Debts falling due after one year	(335,551)	185,551	(150,000)
	<u>(360,551)</u>	<u>210,551</u>	<u>(150,000)</u>
Total	<u>727,742</u>	<u>17,801</u>	<u>745,543</u>
Analysed in Balance Sheet			
Cash at bank and in hand	1,100,915		898,431
Bank overdraft	(12,622)		(2,888)
Debts falling due within one year	(25,000)		-
Debts falling due after one year	(335,551)		(150,000)
	<u>727,742</u>		<u>745,543</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2002**

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed 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 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

	2002	2001
	£	£
Wages and salaries	453,284	349,204
Social security costs	32,262	29,824
Other pension costs	52,510	29,889
	<u>538,056</u>	<u>408,917</u>

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

	2002	2001
Management and administration	4	3
Insurance broking	8	7
	<u>12</u>	<u>10</u>

Nicholson White & Co Limited

**Notes to the Financial Statements
for the Year Ended 31 December 2002**

3. OPERATING PROFIT

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

	2002	2001
	£	£
Depreciation - owned assets	29,350	26,770
Profit on disposal of fixed assets	-	(9,998)
Auditors' remuneration	8,872	7,000
	<u>207,376</u>	<u>103,220</u>
Director's emoluments	207,376	103,220
Director's pension contributions to money purchase schemes	25,000	25,000
	<u>232,376</u>	<u>128,220</u>

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

	1	1
	<u>1</u>	<u>1</u>

Information regarding the highest paid director for the year ended 31 December 2002 is as follows:

	2002
	£
Emoluments etc	207,376
	<u>207,376</u>

4. AMOUNTS WRITTEN OFF INVESTMENTS

	2002	2001
	£	£
Provision against investment	28,000	-
	<u>28,000</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	12,274	15,995
Loan interest	10,500	12,148
	<u>22,774</u>	<u>28,143</u>

6. TAXATION

Analysis of the tax charge

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

	2002	2001
	£	£
Current tax:		
UK corporation tax	53,000	54,000
	<u>53,000</u>	<u>54,000</u>
Tax on profit on ordinary activities	53,000	54,000
	<u>53,000</u>	<u>54,000</u>

Nicholson White & Co Limited

**Notes to the Financial Statements
for the Year Ended 31 December 2002**

7. DIVIDENDS

	2002 £	2001 £
Equity shares:		
Interim paid	<u>25,000</u>	<u>60,000</u>

8. TANGIBLE FIXED ASSETS

	Leasehold property	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 2002	424,775	66,583	61,045	552,403
Additions	-	3,347	-	3,347
	<u>424,775</u>	<u>69,930</u>	<u>61,045</u>	<u>555,750</u>
At 31 December 2002	424,775	69,930	61,045	555,750
DEPRECIATION:				
At 1 January 2002	25,329	52,223	11,191	88,743
Charge for year	8,443	5,703	15,204	29,350
	<u>33,772</u>	<u>57,926</u>	<u>26,395</u>	<u>118,093</u>
At 31 December 2002	33,772	57,926	26,395	118,093
NET BOOK VALUE:				
At 31 December 2002	<u>391,003</u>	<u>12,004</u>	<u>34,650</u>	<u>437,657</u>
At 31 December 2001	<u>399,446</u>	<u>14,360</u>	<u>49,854</u>	<u>463,660</u>

9. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

	2002 £	2001 £
Insurance bond	<u>122,000</u>	<u>150,000</u>

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2001 £
Trade debtors	541,441	478,871
Other debtors	354	354
Prepayments & accrued income	12,945	7,025
Amount due by parent undertaking	18,425	18,425
	<u>573,165</u>	<u>504,675</u>

Nicholson White & Co Limited

**Notes to the Financial Statements
for the Year Ended 31 December 2002**

**11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2001 £
Bank loans and overdrafts (see note 13)	2,888	37,622
Trade creditors	853,766	1,041,126
Claims creditors	60,141	-
Other creditors	-	40,000
Social security & other taxes	9,589	11,866
Taxation	54,340	54,434
Accrued expenses	122,631	78,508
	<u>1,103,355</u>	<u>1,263,556</u>

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

	2002 £	2001 £
Bank loans (see note 13)	-	185,551
Unsecured loan (see note 13)	150,000	150,000
	<u>150,000</u>	<u>335,551</u>

Notes to the Financial Statements
for the Year Ended 31 December 2002

13. LOANS AND OVERDRAFTS

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

	2002 £	2001 £
Amounts falling due within one year or on demand:		
Bank overdrafts	2,888	12,622
Bank loans	-	25,000
	<u>2,888</u>	<u>37,622</u>
Amounts falling due between one and two years:		
Bank loans	-	25,000
	<u>-</u>	<u>25,000</u>
Amounts falling due between two and five years:		
Bank loans	-	75,000
	<u>-</u>	<u>75,000</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Unsecured loan	150,000	150,000
	<u>150,000</u>	<u>150,000</u>
Repayable by instalments		
Bank loans	-	85,551
	<u>-</u>	<u>85,551</u>

The unsecured loan is repayable on 31 December 2009 . Interest is charged at 3% over Barclays Bank plc base rate.

14. SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Bank loans	-	210,551
	<u>-</u>	<u>210,551</u>

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

15. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002 £	2001 £
1,000	Ordinary	1	<u>1,000</u>	<u>1,000</u>

Nicholson White & Co Limited

**Notes to the Financial Statements
for the Year Ended 31 December 2002**

16. ULTIMATE PARENT COMPANY

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

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	182,755	210,728
Dividends	(25,000)	(60,000)
Net addition to shareholders' funds	157,755	150,728
Opening shareholders' funds	620,143	469,415
Closing shareholders' funds	777,898	620,143
Equity interests	777,898	620,143