

**Report of the Director and
Unaudited Financial Statements
for the Year Ended 31 December 2005
for
Nicholson White & Co Limited**



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for the Year Ended 31 December 2005**

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Nicholson White & Co Limited

**Company Information
for the Year Ended 31 December 2005**

DIRECTOR: M J White

SECRETARY: J R White

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

REGISTERED NUMBER: 2747708

ACCOUNTANTS: Rothman Pantall & Co
10 Landport Terrace
Portsmouth
Hampshire
PO1 2RG

Nicholson White & Co Limited

**Report of the Director
for the Year Ended 31 December 2005**

The director presents his report with the financial statements of the company for the year ended 31 December 2005.

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

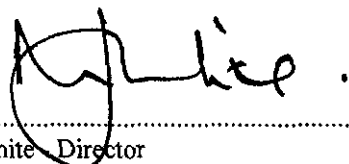
An interim dividend of £2000 per share was paid on 3 October 2005. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2005 will be £200,000.

DIRECTOR

The director who has served during the year was Mr 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 .

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'M J White', is written over a dotted line.

M J White Director

Date: 06/02/06

Nicholson White & Co Limited

**Profit and Loss Account
for the Year Ended 31 December 2005**

	Notes	2005 £	2004 £
TURNOVER	2	1,062,959	1,290,407
Distribution costs		389,769	356,434
Administrative expenses		410,140	649,044
		<u>799,909</u>	<u>1,005,478</u>
OPERATING PROFIT	4	263,050	284,929
Interest receivable and similar income		23,827	19,359
		<u>286,877</u>	<u>304,288</u>
Amounts written off investments	5	-	(3,460)
		<u>286,877</u>	<u>307,748</u>
Interest payable and similar charges		11,440	11,071
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>275,437</u>	<u>296,677</u>
Tax on profit on ordinary activities	6	56,802	61,187
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>218,635</u>	<u>235,490</u>
RETAINED PROFIT FOR THE YEAR		<u>218,635</u>	<u>235,490</u>

The notes form part of these financial statements

Nicholson White & Co Limited

**Balance Sheet
31 December 2005**

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	8	406,168	440,161
Investments	9	150,000	150,000
		<u>556,168</u>	<u>590,161</u>
CURRENT ASSETS			
Debtors	10	430,128	420,378
Cash at bank and in hand		945,212	1,186,076
		<u>1,375,340</u>	<u>1,606,454</u>
CREDITORS			
Amounts falling due within one year	11	954,249	1,237,991
NET CURRENT ASSETS			
		<u>421,091</u>	<u>368,463</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>977,259</u>	<u>958,624</u>
CREDITORS			
Amounts falling due after more than one year	12	150,000	150,000
		<u>827,259</u>	<u>808,624</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,000	1,000
Profit and loss account	14	826,259	807,624
SHAREHOLDERS' FUNDS			
		<u>827,259</u>	<u>808,624</u>

The notes form part of these financial statements

Nicholson White & Co Limited

Balance Sheet - continued
31 December 2005

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2005.

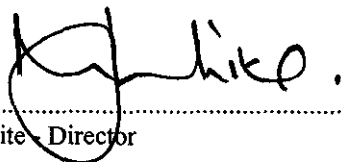
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226A and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

ON BEHALF OF THE BOARD:



.....
M J White, Director

Approved by the Board on 06/02/06

Notes to the Financial Statements

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

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.

Short leasehold	- 2% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost

Deferred tax

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. TURNOVER

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

3. STAFF COSTS

	2005	2004
	£	£
Wages and salaries	450,411	603,704
Social security costs	56,213	75,967
Other pension costs	48,130	58,575
	<u>554,754</u>	<u>738,246</u>

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

	2005	2004
Management and administration	6	6
Insurance broking	6	7
	<u>12</u>	<u>13</u>

Notes to the Financial Statements

4. OPERATING PROFIT

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

	2005	2004
	£	£
Depreciation - owned assets	26,099	39,926
Loss/(Profit) on disposal of fixed assets	2,152	(11,348)
Auditors' remuneration	-	13,620
Foreign exchange differences	8,036	-
	<u>125,755</u>	<u>338,257</u>
Director's emoluments	24,480	24,480
Director's pension contributions to money purchase schemes	<u>24,480</u>	<u>24,480</u>

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

	2005	2004
	1	1
Money purchase schemes	<u>1</u>	<u>1</u>

5. AMOUNTS WRITTEN OFF INVESTMENTS

	2005	2004
	£	£
Provision against investment	-	(3,460)
	<u>-</u>	<u>(3,460)</u>

6. TAXATION

Analysis of the tax charge

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

	2005	2004
	£	£
Current tax:		
UK corporation tax	56,802	61,187
	<u>56,802</u>	<u>61,187</u>
Tax on profit on ordinary activities	<u>56,802</u>	<u>61,187</u>

UK corporation tax has been charged at 19% (2004 - 19%).

Notes to the Financial Statements

6. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	<u>275,437</u>	<u>296,677</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2004 - 19%)	52,333	56,369
Effects of:		
Disallowable expenditure	3,344	3,380
Accelerated capital allowances	1,125	337
Marginal rates of tax	-	1,758
Release of provision against investment	-	(657)
Current tax charge	<u>56,802</u>	<u>61,187</u>

7. DIVIDENDS

	2005 £	2004 £
Interim paid	<u>200,000</u>	<u>100,000</u>

8. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2005	424,775	72,793	85,969	583,537
Additions	-	258	-	258
Disposals	-	-	(16,312)	(16,312)
At 31 December 2005	<u>424,775</u>	<u>73,051</u>	<u>69,657</u>	<u>567,483</u>
DEPRECIATION				
At 1 January 2005	50,658	68,858	23,860	143,376
Charge for year	8,443	1,601	16,055	26,099
Eliminated on disposal	-	-	(8,160)	(8,160)
At 31 December 2005	<u>59,101</u>	<u>70,459</u>	<u>31,755</u>	<u>161,315</u>
NET BOOK VALUE				
At 31 December 2005	<u>365,674</u>	<u>2,592</u>	<u>37,902</u>	<u>406,168</u>
At 31 December 2004	<u>374,117</u>	<u>3,935</u>	<u>62,109</u>	<u>440,161</u>

9. FIXED ASSET INVESTMENTS

Notes to the Financial Statements

9. **FIXED ASSET INVESTMENTS - continued**

Investments (neither listed nor unlisted) were as follows:

	2005	2004
	£	£
Insurance bond	<u>150,000</u>	<u>150,000</u>

The surrender value of the insurance bond at 31 December 2005 was £193,957.

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

	2005	2004
	£	£
Trade debtors	388,713	383,795
Other debtors	<u>41,415</u>	<u>36,583</u>
	<u>430,128</u>	<u>420,378</u>

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

	2005	2004
	£	£
Trade creditors	758,988	773,129
Taxation and social security	72,780	75,947
Other creditors	<u>122,481</u>	<u>388,915</u>
	<u>954,249</u>	<u>1,237,991</u>

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

	2005	2004
	£	£
Other creditors	<u>150,000</u>	<u>150,000</u>

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

13. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005	2004
			£	£
1,000	Ordinary	1	<u>1,000</u>	<u>1,000</u>

14. **RESERVES**

	Profit and loss account
	£
At 1 January 2005	807,624
Retained profit for the year	218,635
Dividends	<u>(200,000)</u>
At 31 December 2005	<u>826,259</u>

Notes to the Financial Statements

15. ULTIMATE PARENT COMPANY

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

16. RELATED PARTY DISCLOSURES

The company is controlled by Mr M J White.