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**Report of the Director and  
Unaudited Financial Statements  
for the Year Ended 31 December 2006  
for  
Nicholson White & Co Limited**

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for the Year Ended 31 December 2006**

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**Nicholson White & Co Limited**

**Company Information**  
**for the Year Ended 31 December 2006**

**DIRECTOR:** M J White

**SECRETARY:** J R White

**REGISTERED OFFICE:** The Jewellery Business Centre  
Spencer Street  
Hockley  
Birmingham  
B18 6DA

**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 2006**

The director presents his report with the financial statements of the company for the year ended 31 December 2006.

**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**

No dividends will be distributed for the year ended 31 December 2006.

**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:**

.....  
Director *M.J. White*

Date: *13/02/2007*

**Nicholson White & Co Limited**

**Profit and Loss Account  
for the Year Ended 31 December 2006**

|                                                          | Notes | 2006<br>£ | £         | 2005<br>£ | £         |
|----------------------------------------------------------|-------|-----------|-----------|-----------|-----------|
| <b>TURNOVER</b>                                          | 2     |           | 1,361,680 |           | 1,062,959 |
| Distribution costs                                       |       | 373,690   |           | 389,769   |           |
| Administrative expenses                                  |       | 742,562   |           | 410,140   |           |
|                                                          |       |           | 1,116,252 |           | 799,909   |
|                                                          |       |           | 245,428   |           | 263,050   |
| Other operating income                                   |       |           | 10,998    |           | -         |
| <b>OPERATING PROFIT</b>                                  | 4     |           | 256,426   |           | 263,050   |
| Interest receivable and similar income                   |       |           | 36,589    |           | 23,827    |
|                                                          |       |           | 293,015   |           | 286,877   |
| Interest payable and similar charges                     |       |           | 11,457    |           | 11,440    |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |       |           | 281,558   |           | 275,437   |
| Tax on profit on ordinary activities                     | 5     |           | 56,161    |           | 56,802    |
| <b>PROFIT FOR THE FINANCIAL YEAR<br/>AFTER TAXATION</b>  |       |           | 225,397   |           | 218,635   |

The notes form part of these financial statements

Nicholson White & Co Limited

Balance Sheet  
31 December 2006

|                                              | Notes | 2006             |                  | 2005           |                |
|----------------------------------------------|-------|------------------|------------------|----------------|----------------|
|                                              |       | £                | £                | £              | £              |
| <b>FIXED ASSETS</b>                          |       |                  |                  |                |                |
| Tangible assets                              | 7     |                  | 398,818          |                | 406,168        |
| Investments                                  | 8     |                  | 150,000          |                | 150,000        |
|                                              |       |                  | <u>548,818</u>   |                | <u>556,168</u> |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |                |                |
| Debtors                                      | 9     | 501,660          |                  | 430,128        |                |
| Cash at bank and in hand                     |       | <u>1,554,444</u> |                  | <u>945,212</u> |                |
|                                              |       | 2,056,104        |                  | 1,375,340      |                |
| <b>CREDITORS</b>                             |       |                  |                  |                |                |
| Amounts falling due within one year          | 10    | <u>1,402,265</u> |                  | <u>954,249</u> |                |
| <b>NET CURRENT ASSETS</b>                    |       |                  | <u>653,839</u>   |                | <u>421,091</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | 1,202,657        |                | 977,259        |
| <b>CREDITORS</b>                             |       |                  |                  |                |                |
| Amounts falling due after more than one year | 11    |                  | <u>150,000</u>   |                | <u>150,000</u> |
| <b>NET ASSETS</b>                            |       |                  | <u>1,052,657</u> |                | <u>827,259</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |                |                |
| Called up share capital                      | 12    |                  | 1,000            |                | 1,000          |
| Profit and loss account                      | 13    |                  | <u>1,051,657</u> |                | <u>826,259</u> |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                  | <u>1,052,657</u> |                | <u>827,259</u> |

The notes form part of these financial statements

**Nicholson White & Co Limited**

**Balance Sheet - continued**  
**31 December 2006**

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2006.

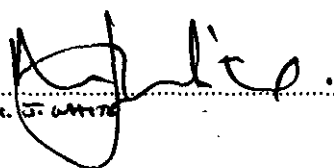
The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2006 in accordance with Section 249B(2) of the Companies Act 1985.

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 226 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).

The financial statements were approved by the director on 13/02/2007 and were signed by:

  
Director M. J. White

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.

|                       |               |
|-----------------------|---------------|
| 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

|                       | 2006<br>£      | 2005<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 581,499        | 450,411        |
| Social security costs | 73,624         | 56,213         |
| Other pension costs   | 252,612        | 48,130         |
|                       | <u>907,735</u> | <u>554,754</u> |

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

|                               | 2006      | 2005      |
|-------------------------------|-----------|-----------|
| Management and administration | 6         | 6         |
| Insurance broking             | 5         | 6         |
|                               | <u>11</u> | <u>12</u> |

Notes to the Financial Statements

4. OPERATING PROFIT

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

|                                                            | 2006           | 2005           |
|------------------------------------------------------------|----------------|----------------|
|                                                            | £              | £              |
| Depreciation - owned assets                                | 28,599         | 26,099         |
| (Profit)/Loss on disposal of fixed assets                  | (1,758)        | 2,152          |
| Foreign exchange differences                               | -              | 8,036          |
|                                                            | <u>278,333</u> | <u>125,755</u> |
| Director's emoluments                                      | 278,333        | 125,755        |
| Director's pension contributions to money purchase schemes | <u>215,000</u> | <u>24,480</u>  |

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

|                        | 1        | 1        |
|------------------------|----------|----------|
| Money purchase schemes | <u>1</u> | <u>1</u> |

5. TAXATION

**Analysis of the tax charge**

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

|                                      | 2006          | 2005          |
|--------------------------------------|---------------|---------------|
|                                      | £             | £             |
| Current tax:                         |               |               |
| UK corporation tax                   | <u>56,161</u> | <u>56,802</u> |
| Tax on profit on ordinary activities | <u>56,161</u> | <u>56,802</u> |

UK corporation tax was charged at 19% in 2005.

**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:

|                                                                                                                | 2006           | 2005           |
|----------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                | £              | £              |
| Profit on ordinary activities before tax                                                                       | <u>281,558</u> | <u>275,437</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 - 19%) | 53,496         | 52,333         |
| Effects of:                                                                                                    |                |                |
| Disallowable expenditure                                                                                       | 1,749          | 3,344          |
| Accelerated capital allowances                                                                                 | <u>916</u>     | <u>1,125</u>   |
| Current tax charge                                                                                             | <u>56,161</u>  | <u>56,802</u>  |

Notes to the Financial Statements

6. DIVIDENDS

|                           | 2006<br>£ | 2005<br>£ |
|---------------------------|-----------|-----------|
| Ordinary shares of 1 each |           |           |
| Interim paid              | -         | 200,000   |

7. TANGIBLE FIXED ASSETS

|                        | Long<br>leasehold<br>£ | Fixtures<br>and<br>fittings<br>£ | Motor<br>vehicles<br>£ | Totals<br>£ |
|------------------------|------------------------|----------------------------------|------------------------|-------------|
| <b>COST</b>            |                        |                                  |                        |             |
| At 1 January 2006      | 424,775                | 73,051                           | 69,657                 | 567,483     |
| Additions              | -                      | -                                | 26,495                 | 26,495      |
| Disposals              | -                      | -                                | (20,907)               | (20,907)    |
| At 31 December 2006    | 424,775                | 73,051                           | 75,245                 | 573,071     |
| <b>DEPRECIATION</b>    |                        |                                  |                        |             |
| At 1 January 2006      | 59,101                 | 70,458                           | 31,755                 | 161,314     |
| Charge for year        | 8,436                  | 2,168                            | 17,995                 | 28,599      |
| Eliminated on disposal | -                      | -                                | (15,660)               | (15,660)    |
| At 31 December 2006    | 67,537                 | 72,626                           | 34,090                 | 174,253     |
| <b>NET BOOK VALUE</b>  |                        |                                  |                        |             |
| At 31 December 2006    | 357,238                | 425                              | 41,155                 | 398,818     |
| At 31 December 2005    | 365,674                | 2,593                            | 37,902                 | 406,169     |

8. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

|                | 2006<br>£ | 2005<br>£ |
|----------------|-----------|-----------|
| Insurance bond | 150,000   | 150,000   |

The surrender value of the insurance bond at 31 December 2006 was £212,484.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|               | 2006<br>£ | 2005<br>£ |
|---------------|-----------|-----------|
| Trade debtors | 468,299   | 388,713   |
| Other debtors | 33,361    | 41,415    |
|               | 501,660   | 430,128   |

Notes to the Financial Statements

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                              | 2006             | 2005           |
|------------------------------|------------------|----------------|
|                              | £                | £              |
| Trade creditors              | 920,108          | 758,988        |
| Taxation and social security | 72,309           | 72,780         |
| Other creditors              | 409,848          | 122,481        |
|                              | <u>1,402,265</u> | <u>954,249</u> |

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

|                 | 2006           | 2005           |
|-----------------|----------------|----------------|
|                 | £              | £              |
| 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.

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

| Number: | Class:   | Nominal value: | 2006         | 2005         |
|---------|----------|----------------|--------------|--------------|
|         |          |                | £            | £            |
| 1,000   | Ordinary | 1              | <u>1,000</u> | <u>1,000</u> |

13. RESERVES

|                     | Profit and loss account<br>£ |
|---------------------|------------------------------|
| At 1 January 2006   | 826,260                      |
| Profit for the year | <u>225,397</u>               |
| At 31 December 2006 | <u>1,051,657</u>             |

14. ULTIMATE PARENT COMPANY

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

15. RELATED PARTY DISCLOSURES

The company is controlled by Mr M J White.

**Nicholson White & Co Limited**

**Report of the Accountants to the Director of  
Nicholson White & Co Limited**

In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's director, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's director that we have done so, and state those matters that we have agreed to state to them in this 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 director, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet as at 31 December 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



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

Date: 13 February 2007