

Registered no. 1315213

BRIAN D THOMAS INSURANCE SERVICES LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2005**

**JAMES & UZZELL LTD
42 ST JAMES CRESCENT
SWANSEA
SA1 6DR**



BRIAN D THOMAS INSURANCE SERVICES LIMITED

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BRIAN D THOMAS INSURANCE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2005

The directors present their report and the financial statements of the company for the year ended 31 May 2005.

Directors' Responsibilities

Company law requires the directors 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 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 a 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Directors

R. W. Byrne
S. L. Nicholson (Resigned 31st May 2005)
M.L. Protheroe (Appointed 1st June 2005)

Secretary

M F Barry

Registered Office

52 Walter Road
Swansea
SA1 5PW

Principal Activity

The principal activity of the company throughout the year was that of insurance broking.

Review of Business

The results for the year and the financial position at the year end were considered satisfactory by the directors, who expect continued growth in the foreseeable future.

Future Developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the current year will show a further significant growth in sales.

Results and Dividends

The results of the year's trading and the financial position of the company are shown in the annexed accounts.

The company's profit for the year, after taxation, amounted to £164,285 (2004 - £218,277).

BRIAN D THOMAS INSURANCE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2005 (CONT)

The directors also recommend that the interim dividend of 2,853 pence per ordinary share paid.

Directors

The present directors are as shown above. All served on the board throughout the year.

The company's Articles of Association do not require directors to retire by rotation.

Directors' Interests

The interests of the directors in the shares of the company at the beginning and end of the year, were as follows:

	31 May 2005	1 June 2004
R. W. Byrne		
£1 Ordinary shares	1,875	1,875

Auditors

The auditors, James & Uzzell Ltd, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

ON BEHALF OF THE BOARD

M F Barry
M F BARRY - SECRETARY

Date: 9/9/05

BRIAN D THOMAS INSURANCE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRIAN D THOMAS INSURANCE SERVICES LIMITED

We have audited the financial statements of Brian D Thomas Insurance Services Limited for the year ended 31 May 2005 which comprises the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are 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 Directors' Report 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 directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

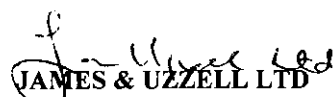
Basis of opinion

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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


JAMES & UZZELL LTD
Chartered Certified Accountants
and Registered Auditors

42 ST JAMES CRESCENT
SWANSEA
SA1 6DR

Date: 19.5.05

BRIAN D THOMAS INSURANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2005

	Note	2005 £	2004 £
TURNOVER	2	1,485,496	1,197,850
Net operating expenses	3	(1,295,170)	(939,128)
OPERATING PROFIT	4	190,326	258,722
Other interest receivable and similar income		20,972	17,677
Interest payable and similar charges	6	-	(1,036)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		211,298	275,363
Tax on profit on ordinary activities	7	(47,013)	(57,086)
PROFIT FOR THE FINANCIAL YEAR		164,285	218,277
Dividends	8	(53,500)	(69,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		110,785	149,277
Retained profit brought forward		278,423	129,146
RETAINED PROFIT CARRIED FORWARD		389,208	278,423

The company's turnover and expenses all relate to continuing operations.

There are no recognised gains or losses other than the profit for the financial year shown above.

The annexed notes form part of these financial statements.

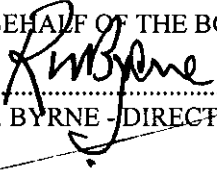
BRIAN D THOMAS INSURANCE SERVICES LIMITED

BALANCE SHEET AT 31 MAY 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Intangible assets	9	-	9,802
Tangible assets	10	62,454	80,549
		<u>62,454</u>	<u>90,351</u>
CURRENT ASSETS			
Debtors	11	486,238	527,356
Cash at bank and in hand		990,785	880,411
		<u>1,477,023</u>	<u>1,407,767</u>
CREDITORS			
Amounts falling due within one year	12	(1,139,960)	(1,208,422)
NET CURRENT ASSETS		<u>337,063</u>	<u>199,345</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>399,517</u>	<u>289,696</u>
PROVISIONS FOR LIABILITIES AND CHARGES	13	(7,809)	(8,773)
NET ASSETS		<u><u>391,708</u></u>	<u><u>280,923</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	1,875	1,875
Other reserves	15	625	625
Profit and loss account		389,208	278,423
SHAREHOLDERS' FUNDS	16	<u><u>391,708</u></u>	<u><u>280,923</u></u>

These financial statements were approved by the board on 9/9/05

ON BEHALF OF THE BOARD


R. W. BYRNE - DIRECTOR

The annexed notes form part of these financial statements.

BRIAN D THOMAS INSURANCE SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2005

	Note	2005 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20	329,334	299,174
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	20,972	17,677	
Interest paid	-	(1,036)	
		<hr/>	<hr/>
		20,972	16,641
TAXATION		(57,086)	(38,315)
CAPITAL EXPENDITURE			
Payments to acquire fixed assets	(19,504)	(11,380)	
		<hr/>	<hr/>
		(19,504)	(11,380)
EQUITY DIVIDENDS PAID		(53,500)	(69,000)
		<hr/>	<hr/>
INCREASE IN CASH	21	<u>220,216</u>	<u>197,120</u>

The annexed notes form part of these financial statements.

BRIAN D THOMAS INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

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

The effect of events in relation to the year ended 31 May 2005 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 May 2005 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Plant and machinery	- 2% per annum of cost
Fixtures and fittings	- 10% per annum of cost
Motor vehicles	- 20% per annum of cost
Computers and equipment	- 20% per annum reducing balance

Goodwill

Goodwill is amortised through the profit and loss account in equal instalments over its estimated useful life.

Deferred Taxation

Deferred taxation is accounted for in accordance with the requirements of FRS19.

Pension Costs

The company operates a pension scheme for the benefit of some of its employees. The scheme is a defined contribution scheme, and the contributions are charged against profits as they are paid.

Going concern

The directors have considered the trading position of the company, and based on a review of the accounting records since the year end, are confident that the going concern principle can be applied to the financial statements .

2. TURNOVER

The company's turnover represents the value of commissions generated when settled to insurance companies and fees received.

BRIAN D THOMAS INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005 (CONT)

3. NET OPERATING EXPENSES

	2005 £	2004 £
Administrative expenses	1,295,170	939,128

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2005 £	2004 £
Directors' emoluments	54,192	59,154
Directors' pension contributions in respect of money purchase benefits	163,164	61,539
Total directors' emoluments	217,356	120,693
Loss on sale of fixed assets	26,241	11,318
Depreciation and amortisation of owned assets	11,358	10,564
Amortisation of goodwill	9,802	9,604
Auditors' remuneration	4,700	3,500

BRIAN D THOMAS INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005 (CONT)

5. STAFF COSTS

The average number of persons employed by the company, including directors, during the year was as follows:

	2005 Number	2004 Number
Management and administration	33	26
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2005 £	2004 £
Wages and salaries	712,026	627,300
Social security	5,741	3,444
Other pension costs	163,164	61,539
	<u> </u>	<u> </u>
	880,931	692,283
	<u> </u>	<u> </u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
Bank loans and overdrafts	-	1,036
	<u> </u>	<u> </u>

BRIAN D THOMAS INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005 (CONT)

7. TAXATION

Analysis of charge in period	2005 £	2004 £
Current tax:		
UK corporation tax on profits of the year	47,977	57,086
Total current tax	47,977	57,086
Deferred tax charged/(utilised) for the period (Over)/under provided in prior period	(964) -	- -
	(964)	-
Tax on profit on ordinary activities	47,013	57,086

8. DIVIDENDS

	2005 £	2004 £
On ordinary shares		
Interim dividends paid at 2,853 pence per share	53,500	69,000

BRIAN D THOMAS INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005 (CONT)

9. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 June 2004	48,018
Additions	-
Disposals	-
	<hr/>
At 31 May 2005	48,018
	<hr/>
Amortisation	
At 1 June 2004	38,216
Charge for the year	9,802
Eliminated on disposals	-
	<hr/>
At 31 May 2005	48,018
	<hr/>
Net book value	
At 31 May 2005	-
	<hr/>
<i>At 31 May 2004</i>	9,802
	<hr/>

Goodwill arose on the purchase of an unincorporated business during the year ended 31st May 2001 and is being amortised over 5 years. In the opinion of the directors, this represents a prudent estimate of the period over which the company will derive economic benefit from the products acquired as part of that business.

BRIAN D THOMAS INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005 (CONT)

10. TANGIBLE FIXED ASSETS

	Property Improvements £	Fixtures and fittings £	Total £
Cost			
At 1 June 2004	33,612	133,162	166,774
Additions	-	19,504	19,504
Disposals	(33,612)	(1,764)	(35,376)
At 31 May 2005	-	150,902	150,902
Depreciation			
At 1 June 2004	7,949	78,275	86,224
Charge for the year	-	11,358	11,358
Eliminated on disposals	(7,949)	(1,186)	(9,135)
At 31 May 2005	-	88,447	88,447
Net book value			
At 31 May 2005	-	62,455	62,455
At 31 May 2004	25,663	54,887	80,550

BRIAN D THOMAS INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005 (CONT)

11. DEBTORS

Receivable within one year:

	2005 £	2004 £
Trade debtors	472,179	492,539
Other debtors	230	-
Prepayments and accrued income	13,829	34,817
	<u>486,238</u>	<u>527,356</u>

12. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank loans and overdrafts	-	109,842
Trade creditors	1,018,442	972,810
Social security and other taxes	22,681	21,936
Other creditors	3,551	3,671
Corporation tax payable	47,977	57,086
Accruals and deferred income	47,309	43,077
	<u>1,139,960</u>	<u>1,208,422</u>

BRIAN D THOMAS INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005 (CONT)

13. PROVISIONS FOR LIABILITIES AND CHARGES

Provision for deferred tax

	2005 £	2004 £
Accelerated capital allowances	7,809	8,773
Tax losses carried forward	-	-
Other timing differences	-	-
	<hr/>	<hr/>
Undiscounted provision for deferred tax	7,809	8,773
Discount	-	-
	<hr/>	<hr/>
Discounted provision for deferred tax	7,809	8,773
	<hr/>	<hr/>
Provision at 1 June 2004	8,773	
Deferred tax charge in profit and loss account for the year	(964)	
	<hr/>	
Provision at 31 May 2005	7,809	
	<hr/>	

14. SHARE CAPITAL

	2005 £	2004 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
1,875 ordinary shares of £1 each	1,875	1,875
	<hr/>	<hr/>

BRIAN D THOMAS INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005 (CONT)

15. OTHER RESERVES

	2005 £
Capital redemption reserve	
As at 1 June 2004 and 31 May 2005	625

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial year	164,285	218,277
Dividends	(53,500)	(69,000)
Net addition to shareholders' funds	110,785	149,277
Opening shareholders' funds	280,923	131,646
Closing shareholders' funds	391,708	280,923

17. PENSION COSTS

The company operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The charge for the year was £163,164 (2004 - £61,539).

18. TRANSACTIONS WITH DIRECTORS

Transactions with Directors

The company was charged rent by Thomas & Byrne properties, a partnership 50% owned by the director Mr R W Byrne, during the year for its registered office totaling £26,000 (2004 - £22,000). At the year end an amount of £NIL was owed to Thomas & Byrne properties (2004 - £2,000).

BRIAN D THOMAS INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005 (CONT)

19. CONTROLLING PARTY

The company is controlled by the director, R. W. Byrne by virtue of his shareholdings as described in the directors' report.

20. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating profit	190,326	258,722
Depreciation charge	21,160	20,168
Loss on sale of fixed assets	26,241	11,318
Decrease in debtors	41,118	165,638
Increase/(decrease) in creditors	50,489	(156,672)
Net cash inflow/outflow from operating activities	<u>329,334</u>	<u>299,174</u>

21. ANALYSIS OF NET FUNDS

	2004 £	Cash flow £	Other changes £	2005 £
Cash at bank and in hand	880,411	110,374	-	990,785
Overdraft	(109,842)	109,842	-	-
Total	<u>770,569</u>	<u>220,216</u>	<u>-</u>	<u>990,785</u>

BRIAN D THOMAS INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005 (CONT)

22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005 £	2004 £
Increase in cash in the year	220,216	197,120
Movement in net funds in the year	<u>220,216</u>	<u>197,120</u>
Net funds at 1 June 2004	770,569	573,449
Net funds at 31 May 2005	<u><u>990,785</u></u>	<u><u>770,569</u></u>