

D.K. UNDERWRITING LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005



Daniels & Co LLP
Chartered Accountants
No. 1 The Courtyard
Campus Way
Gillingham Business Park
Gillingham
Kent ME8 0NZ
Tel: 01634 238709
Fax: 01634 233762

D.K. UNDERWRITING LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005

CONTENTS

	Page
Director's report	3 – 4
Auditors report	5 – 6
Profit and loss account	7
Balance sheet	8
Cash flow statement	9
Notes to the accounts	10 – 13

D.K. UNDERWRITING LIMITED**REPORT OF THE DIRECTOR****FOR THE YEAR ENDED 31 DECEMBER 2005**

The director has pleasure in presenting his report, together with the audited accounts of the company for the year ended 31 December 2005.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) prepare the accounts on the 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 accounts comply with the Companies Act 1985. The directors 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.

Principal activities

The company trades as insurance programme managers.

Review of the business and future developments

2005 was a year of continued growth and profitability. I expect 2006 to be as successful.

Directors and directors' interests

The director of the company who held office during the year and his interests in the shares of the company, which remained unchanged, are set out below:

	£1 ordinary shares
Mr D S Keanie	20,000

D.K. UNDERWRITING LIMITED

REPORT OF THE DIRECTOR (continued)

FOR THE YEAR ENDED 31 DECEMBER 2005

Auditors

It is proposed that the company's present auditors, Messrs. Daniels & Co. LLP, be reappointed under section 385 Companies Act 1985.

By order of the Board

Secretary



A LAWRENCE

Date: 28 October 2006

Registered office:

99 Mansell Street
LONDON E1 8AX

D.K. UNDERWRITING LIMITED**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS**

We have audited the financial statements of D.K. Underwriting Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies as set out herein.

This report is made solely to the company's members, as a body, in accordance with s235 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 their report, the company's directors are responsible for the preparation of the 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 international standards of auditing (UK and Ireland).

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 audit opinion

We conducted our audit in accordance with international standards of auditing (UK and Ireland). 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, are consistently applied and are 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.

D.K. UNDERWRITING LIMITED

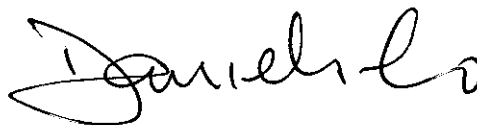
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Opinion

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

DANIELS & CO LLP

Chartered Accountants and Registered Auditors



No. 1 The Courtyard
Campus Way
Gillingham Business Park
Gillingham
Kent ME8 0NZ

Date: *28 October 2006*

D.K. UNDERWRITING LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	2005 £	2004 £
Turnover	1	508,035	418,669
Administrative expenses	2, 3	<u>81,987</u> 426,048	<u>59,103</u> 359,566
Other operating income		1,500	230
Operating profit		<u>427,548</u>	<u>359,796</u>
Other interest receivable and similar income		<u>658</u>	<u>36</u>
Profit on ordinary activities before taxation		428,206	359,832
Tax on profit on ordinary activities	4	<u>99,700</u> 328,506	<u>77,015</u> 282,817
Dividends paid		264,000	296,100
		<u>64,506</u>	<u>(13,283)</u>
Retained profits brought forward		33,858	47,141
Retained profits carried forward	10	<u>£98,364</u>	<u>£33,858</u>

All operations are continuing.

There are no recognised gains or losses, other than disclosed in the profit and loss account.

D.K. UNDERWRITING LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2005**

	Notes	2005	2004
		£	£
Fixed assets			
Tangible assets	5	3,061	3,279
Current assets			
Debtors	6	248,705	49,547
Cash at bank and in hand		<u>7,698</u>	<u>98,633</u>
		256,403	148,180
Creditors: amounts falling due within one year	7	<u>140,900</u>	<u>97,401</u>
Net current assets		115,503	50,779
Total assets less current liabilities		118,564	54,058
Provisions for liabilities	8	<u>200</u>	<u>200</u>
		<u>£118,364</u>	<u>£53,858</u>
Capital and reserves			
Called up share capital	9	20,000	20,000
Profit and loss account		98,364	33,858
Equity interests	10	<u>£118,364</u>	<u>£53,858</u>

Approved by the Board on 15 August 2006 and signed on its behalf by

Director

David S. Keanie

Date:

D S KEANIE
28 October 2006

D.K. UNDERWRITING LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	2005 £	2004 £
Net cash inflow from operating activities	11	251,703	427,894
Returns on investment and servicing of finance	12	658	36
Taxation	12	(77,700)	(39,215)
Capital expenditure and financial investment	12	(1,596)	(2,163)
Equity dividends paid		(264,000)	(296,100)
Decrease in cash during the period		<u>£(90,935)</u>	<u>£90,452</u>
		2005 £	2004 £
Reconciliation of net cash flow to movement in net debt	13		
Decrease in cash during the period		(90,935)	90,452
Net debt at 1 January 2005		98,633	8,181
Net debt at 31 December 2005		<u>£7,698</u>	<u>£98,633</u>

D.K. UNDERWRITING LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2005****1. Accounting policies**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation of accounts

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention.

Turnover

Turnover is based on insurance commissions from the United States receivable for the year.

Depreciation

Depreciation is calculated to write off the cost of fixed assets, less estimated residual values, over their expected useful lives, at the following annual rates:

Computer equipment	33.33% on cost
Furniture and equipment	25% on cost

Deferred taxation

Provision is made on an undiscounted basis at expected future rates under the liability method for taxation deferred by reason of income being taxed and expenditure relieved in periods other than those in which they are reflected in the accounts. No deferred taxation is accounted for on unrealised gains and losses arising from the revaluation of assets. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that they are likely to be recovered.

Foreign currencies

Foreign currency balances are translated into sterling at the rates of exchange ruling at the balance sheet date. Foreign currency transactions are converted at the rates ruling at the time and differences are reflected in the profit and loss account.

D.K. UNDERWRITING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

2. Trading results	2005	2004
	£	£
<i>Trading results are stated after charging</i>		
Directors emoluments	4,895	4,760
Depreciation	1,814	2,191
Auditors remuneration	2,938	2,938
Auditors remuneration for non-audit services	2,937	2,937
3. Employees	2005	2004
The average number of employees was	1	1
<i>Staff costs amounted to</i>		
Salaries	£4,895	£4,760
4. Taxation	2005	2004
	£	£
<i>The charge for the year is made up as follows</i>		
Corporation tax		
Current year	100,000	78,000
Prior years	(300)	(785)
Deferred taxation – capital allowances	-	(200)
	£99,700	£77,015
	2005	2004
	£	£
<i>Factors affecting current taxation charge for the year</i>		
Profit on ordinary activities before taxation	428,206	359,832
Notional charge at UK corporation taxation rate of 30% (2004 30%)	128,462	107,950
Less marginal relief	(29,275)	(31,037)
Items not deductible/(chargeable) for taxation purposes		
Depreciation in excess of capital allowances	117	169
Disallowable expenses	364	428
Adjustments in respect of prior years	(300)	(785)
Other	332	490
	99,700	77,215
Deferred tax		
Origination and reversal of timing differences	-	(200)
<i>Ordinary taxation charge for year</i>	£99,700	£77,015

D.K. UNDERWRITING LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2005**

5. Tangible fixed assets	2005		2004	
<i>Net book values</i>				
Fixtures and equipment	<u>£3,061</u>		<u>£3,279</u>	
<i>Cost</i>	<i>Opening balance</i>	<i>Additions</i>	<i>Disposals</i>	<i>Closing balance</i>
Fixtures and equipment	<u>£6,187</u>	<u>£1,596</u>	-	<u>£7,783</u>
<i>Depreciation</i>	<i>Opening balance</i>	<i>Charge</i>	<i>Disposals</i>	<i>Closing balance</i>
Fixtures and equipment	<u>£2,908</u>	<u>£1,814</u>	-	<u>£4,722</u>
6. Debtors	2005		2004	
<i>Amounts falling due within one year</i>	<u>£</u>		<u>£</u>	
Trade debtors	212,837		16,273	
Prepayments	11,426		16,495	
Other debtors	24,442		16,779	
	<u>£248,705</u>		<u>£49,547</u>	
7. Creditors: amounts falling due within one year	2005		2004	
	<u>£</u>		<u>£</u>	
Directors current account – D S Keanie	25,146		6,536	
Corporation tax	100,000		78,000	
Other creditors	3,648		-	
Accruals	12,106		12,865	
	<u>£140,900</u>		<u>£97,401</u>	
8. Provisions for liabilities	2005		2004	
Deferred taxation – capital allowances	<u>£200</u>		<u>£200</u>	
9. Share capital	2005		2004	
Authorised:-				
100,000 ordinary shares of £1 each	<u>£100,000</u>		<u>£100,000</u>	
Allotted, called up and fully paid:				
20,000 ordinary shares of £1 each	<u>£20,000</u>		<u>£20,000</u>	

D.K. UNDERWRITING LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2005****10. Reserves and reconciliation of movements in shareholders' funds**

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£
Opening shareholders' funds	20,000	33,858	53,858
Profit for the financial year	-	328,506	328,506
Dividends	-	264,000	264,000
Closing shareholders' funds	<u>£20,000</u>	<u>£98,364</u>	<u>£118,364</u>

11. Reconciliation of operating profit to net cash flow

	2005	2004
	£	£
Operating profit	427,548	359,796
Depreciation charge	1,814	2,191
Increase in debtors	(199,158)	57,279
Increase in creditors	21,499	8,628
Net cash flow from operating activities	<u>£251,703</u>	<u>£427,894</u>

12. Gross cash flows

	2005	2004
Returns on investments and servicing of finance:		
Interest received	<u>£658</u>	<u>£36</u>
Taxation:		
Corporation tax paid	<u>£77,700</u>	<u>£39,215</u>
Capital expenditure and financial investment:		
Purchase of tangible fixed assets	<u>£1,596</u>	<u>£2,163</u>

13. Analysis of changes in net debt

	<i>Opening balance</i>	<i>Cash flows</i>	<i>Other changes</i>	<i>Closing balance</i>
Cash at bank	<u>£98,633</u>	<u>£(90,935)</u>	-	<u>£7,698</u>

14. Ultimate controlling party

The company's ultimate controlling party is Mr D S Keanie, the director, by reason of his shareholding.