

**DALLAS KIRKLAND (PROFESSIONS) LIMITED**

**FINANCIAL STATEMENTS**

**31ST DECEMBER 2005**

**Company number: 4157814**



**MGI Watson Buckle**

**CHARTERED ACCOUNTANTS**

**Bradford**

**DALLAS KIRKLAND (PROFESSIONS) LIMITED**

**FINANCIAL STATEMENTS**

**Year ended 31st December 2005**

**CONTENTS**

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

**DALLAS KIRKLAND (PROFESSIONS) LIMITED****COMPANY INFORMATION****31st December 2005**

<b>Company number</b>	4157814
<b>Executive Directors</b>	R H C Kirkland C M Hudson A Prescott
<b>Secretary</b>	C M Hudson
<b>Registered Office</b>	Dallas House Low Moor Bradford BD12 0HF
<b>Bankers</b>	Lloyds TSB plc 65 Hustlergate Bradford
<b>Solicitors</b>	Gordons 14 Piccadilly Bradford BD1 3LX
<b>Auditors</b>	MGI Watson Buckle Chartered Accountants York House Cottingley Business Park Bradford BD16 1PE

**DALLAS KIRKLAND (PROFESSIONS) LIMITED****DIRECTORS' REPORT****31st December 2005**

The directors present their report and the audited financial statements for the year ended 31st December 2005.

**Principal activities**

The principal activity of the company is insurance broking.

**Business review and future developments**

The directors aim to maintain the management policies, which have resulted in this year's satisfactory trading position.

**Results and dividends**

The profit for the year after taxation amounted to **£1,800,712** (2004 £1,399,756). An interim dividend of **£1,200,000** (2004 £ 404,167) was paid leaving a retained profit of **£600,712** (2004 £995,589).

**Donations**

During the year the company made charitable donations totalling **£1,130** (2004 £101).

**Directors**

The present directors of the company are listed on page 1.

The directors at 31st December 2005 and their interests in the shares and debentures of the company as recorded in the register of directors' interests were as follows:

	<b>31st December 2005</b>	<b>1st January 2005</b>
	<b>Ordinary shares</b>	<b>Ordinary shares</b>
R H Kirkland	<b>45,000</b>	45,000
A Prescott	<b>5,000</b>	5,000

**Auditors**

MGI Watson Buckle were appointed as auditors on 7 December 2005 to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985. A resolution to reappoint MGI Watson Buckle as auditors will be proposed at the Annual General Meeting.

**Small Company Rules**

This report has been prepared in accordance with the special provisions of part VII of the companies Act 1985 relating to small companies.

On behalf of the board

C M Hudson  
Secretary

Dallas House  
Low Moor  
Bradford  
BD12 0HF  
15th May 2006

**DALLAS KIRKLAND (PROFESSIONS) LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The purpose of this statement is to distinguish the directors' responsibilities for the financial statements from those of the auditors as stated in their report.

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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards have been followed, subject to any material departures as disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and

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.

**DALLAS KIRKLAND (PROFESSIONS) LIMITED****AUDITORS' REPORT****Report of the Independent Auditors to the Shareholders of****Dallas Kirkland (Professions) Limited**

We have audited the financial statements of Dallas Kirkland (Professions) Limited for the year ended 31st December 2005 which comprise the profit and loss account, balance sheet and related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), 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 auditors' 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 statement of Directors responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit financial statements in accordance with relevant legal and regulatory requirements and International Standards on 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 error or other irregularity. 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 in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the company as at 31st December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**MGI Watson Buckle**  
Registered Auditors  
Chartered Accountants  
Bradford

17th May 2006

## DALLAS KIRKLAND (PROFESSIONS) LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2005

	Note	2005 £	2004 £
<b>Turnover</b>	1	<b>3,677,420</b>	3,699,678
Net operating expenses	2	<u>1,333,894</u>	<u>1,867,802</u>
<b>Operating Profit</b>	3	<b>2,343,526</b>	1,831,876
Interest receivable		<u>244,763</u>	<u>179,897</u>
<b>Profit on ordinary activities before taxation</b>		<b>2,588,289</b>	2,011,773
Taxation	5	<u>787,577</u>	<u>612,017</u>
<b>Profit for the financial year</b>		<b>1,800,712</b>	1,399,756
Dividends		<u>1,200,000</u>	<u>404,167</u>
<b>Retained profit for the year</b>	12	<b><u>600,712</u></b>	<b><u>995,589</u></b>

The notes on pages 7 – 12 form part of these financial statements

## DALLAS KIRKLAND (PROFESSIONS) LIMITED

## BALANCE SHEET

At 31st December 2005

	Note	£	2005 £	2004 £
<b>Fixed assets</b>				
Tangible	7		8,350	27,544
<b>Current assets</b>				
Debtors	8	1,386,886		1,848,034
Cash at bank and in hand		5,882,357		5,311,956
		<u>7,269,243</u>		<u>7,159,990</u>
<b>Creditors: amounts falling due within one year</b>	9	4,612,161		5,122,814
			<u>2,657,082</u>	<u>2,037,176</u>
<b>Total assets less current liabilities</b>			<u>2,665,432</u>	<u>2,064,720</u>
<b>Capital and reserves</b>				
Called up share capital	11		50,000	50,000
Profit and loss account	12		2,615,432	2,014,720
<b>Total shareholders' funds</b>			<u>2,665,432</u>	<u>2,064,720</u>

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

The financial statements were approved by the board of directors on 15th May 2006 and signed on its behalf by:

R H C Kirkland


 Director



**DALLAS KIRKLAND (PROFESSIONS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****31st December 2005****1 Accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below.

**Basis of Preparation of Financial Statements**

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 and commissions, which are taken to revenue in full at the later of a) the binding contract date or b) the renewal or commencement date of the policy. Costs are written off as incurred.

**Tangible fixed assets**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value, of each asset over its estimated useful life as follows:

Computer & office equipment	33 % of cost
-----------------------------	--------------

**Deferred Tax**

The charge to tax takes in to account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and the law enacted or substantively enacted at the balance sheet date.

**Pension Costs**

The company makes contributions to the employees individual personal pension schemes, which are charged to the profit and loss account as they accrue.

**Operating Leases**

Payments made under operating leases are charged to the Profit and Loss account on a straight – line basis over the lease term.

## DALLAS KIRKLAND (PROFESSIONS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31st December 2005

## 2 Net Operating Expenses

	2005 £	2004 £
Administrative expenses	<u>1,333,894</u>	<u>1,867,802</u>

## 3 Operating profit

	£	£
Operating profit is stated after charging		
Depreciation - owned assets	20,774	24,040
Audit Fee	5,000	5,000
Operating leases rentals – land and buildings	90,547	65,702
Staff costs (note 4)	<u>950,399</u>	<u>1,474,769</u>

## 4 Directors and employees

	2005 £	2004 £
Staff costs including directors' emoluments		
Wages and salaries	749,859	1,243,516
Social security costs	121,143	156,684
Other pension costs	79,397	74,569
	<u>950,399</u>	<u>1,474,769</u>

The average monthly number of persons employed during the year, including executive directors was:

	Number	
Insurance broking and administration	<u>17</u>	<u>15</u>

	£	£
Directors		
Emoluments	646,451	944,544
Directors' pension contributions in respect of personal pensions	<u>61,026</u>	<u>60,918</u>
Total director's emoluments	<u>707,477</u>	<u>1,005,462</u>

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

Personal pensions	<u>2</u>	<u>2</u>
-------------------	----------	----------

## DALLAS KIRKLAND (PROFESSIONS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31st December 2005

## 4 Directors and employees (continued)

	2005 £	2004 £
<b>Highest paid director</b>		
Emoluments	498,151	785,693
Directors' pension contributions in respect of personal pensions	41,400	41,400
	<u>538,551</u>	<u>827,093</u>

## 5 Taxation

**Analysis of tax charge**

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

	£	£
<b>Current tax:</b>		
UK Corporation tax	<u>787,577</u>	<u>612,017</u>

**Further 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:

<b>Profit on ordinary activities before tax</b>	<u>2,588,289</u>	<u>2,011,773</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 30%)	776,487	603,532
<b>Effects of:</b>		
Expenses not deductible for tax purposes	7,570	4,933
Capital allowances less than depreciation	<u>3,520</u>	<u>3,552</u>
<b>Current tax charge</b>	<u>787,577</u>	<u>612,017</u>

## DALLAS KIRKLAND (PROFESSIONS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31st December 2005

## 6 Dividends

	£	£
Ordinary dividend paid £24.00 (2004 £8.08) per share	<u>1,200,000</u>	<u>404,167</u>

## 7 Tangible fixed assets

	Computer & Office Equipment
	£
<b>Cost</b>	
1st January 2005	74,317
Additions	<u>1,580</u>
31st December 2005	<u>75,897</u>
<b>Depreciation</b>	
1st January 2005	46,773
Charge for period	<u>20,774</u>
31st December 2005	<u>67,547</u>
<b>Net book value</b>	
31 <sup>st</sup> December 2005	<u>8,350</u>
31st December 2004	<u>27,544</u>

## 8 Debtors

	2005 £	2004 £
<b>Amounts falling due within one year</b>		
Insurance debtors	1,360,538	1,828,929
Other debtors	2,148	4,105
Prepayments and accrued income	<u>24,200</u>	<u>15,000</u>
	<u>1,386,886</u>	<u>1,848,034</u>

## DALLAS KIRKLAND (PROFESSIONS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31st December 2005

9 **Creditors:** amounts falling due within one year

	2005 £	2004 £
Trade creditors	3,160	1,374
Insurance creditors	3,954,956	4,470,202
Corporation tax	367,577	237,017
Accruals and deferred income	108,072	389,049
Other Taxes & Social Security	28,335	24,664
Other creditors	150,061	508
	<u>4,612,161</u>	<u>5,122,814</u>

10 **Operating lease commitments**

The following payments are committed to be paid in one year:

	2005 £	2004 £
Land and Buildings		
Expiring:		
Within one year	<u>5,475</u>	<u>65,702</u>

11 **Called up share capital**

	2005		2004	
	Number of shares	£	Number of shares	£
<b>Authorised</b>				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
<b>Allotted called up and fully paid</b>				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

## DALLAS KIRKLAND (PROFESSIONS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31st December 2005

## 12 Reserves

	2005	2004
	£	£
1st January 2005	2,014,720	1,019,131
Retained profit for the year	600,712	995,589
	<u>2,615,432</u>	<u>2,014,720</u>

## 13 Pension commitments

The company makes contributions to defined contribution schemes on behalf of certain directors and employees to independently administered funds. The pension cost charge represents contributions payable by the company and amounted to £79,397 (2004 £74,569). Included in creditors were accrued contributions of £450 (2004 Nil).

## 14 Control Relationship

Mr R H C Kirkland controlled the company throughout the year.