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**DALLAS KIRKLAND (PROFESSIONS)
LIMITED**

Report and Financial Statements

8 month period ended 31 August 2006

DALLAS KIRKLAND (PROFESSIONS) LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

CONTENTS

	Page
Officers and principal advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

DALLAS KIRKLAND (PROFESSIONS) LIMITED

OFFICERS AND PRINCIPAL ADVISERS

DIRECTORS

C M Giles
D G Gardner
R H Kirkland
A Prescott
J Faulds

SECRETARY

D G Gardner

REGISTERED OFFICE

Ibex House
42-47 Mimosas
London
EC3N 1DY

BANKERS

Clydesdale Bank plc
20 Waterloo Street
Glasgow
G2 6DB

SOLICITORS

Dundas & Wilson LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Glasgow

DALLAS KIRKLAND (PROFESSIONS) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the period ended 31 August 2006

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was insurance broking. Company trading has been satisfactory in the year with turnover of £2,440,000 for the 8 month period compared with £3,677,000 for the prior 12 month period.

During the period the company was purchased by Quillco 227 Limited which acquired all of the issued share capital of Dallas Kirkland (Professions) Limited. The new ultimate parent company of the group is Quillco 226 Limited.

The accounting period has been shortened to bring the financial year end into line with that of the group. The ultimate holding company at the end of the financial period is Quillco 226 Limited, a company registered in Scotland into which the results of the company are consolidated.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £1,220,000 (period to 31 December 2005 £1,801,000). No dividends were paid during the year (2005 £1,200,000).

PRINCIPAL RISKS AND UNCERTAINTIES

Market Risk

The company was affected in the period by the insurance market cycle. The company tackled this risk by both new business initiatives and ongoing supplier negotiations. A further market risk is the strengthening of the supply base. The company ensures the supply base was appropriate by regular monitoring and assessment of insurer credit ratings.

Regulatory Risk

The regulatory environment is set by the Financial Services Authority ("FSA"). The company operated a fully resourced compliance department reporting directly to the Group Chief Executive.

Credit Risk

Credit risk was negated by the company by ensuring that it receives cash in respect of premiums from clients before paying these premiums to insurers.

DIRECTORS AND THEIR INTERESTS

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

The directors who served the company during the period were as follows:

R H Kirkland	
A Prescott	
C M Hudson	(resigned 10 July 2006)
C M Giles	(appointed 10 July 2006)
D G Gardner	(appointed 10 July 2006)
J Faulds	(appointed 20 July 2006)

DALLAS KIRKLAND (PROFESSIONS) LIMITED

DIRECTORS' REPORT (CONTINUED)

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved

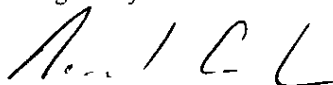
- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

MGI Watson Buckle resigned as auditors during the period Deloitte and Touche LLP was subsequently appointed to fill the vacancy

Deloitte & Touche LLP expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed by order of the Board



D G Gardner
Company Secretary

26 November 2007

DALLAS KIRKLAND (PROFESSIONS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DALLAS KIRKLAND (PROFESSIONS) LIMITED

We have audited the financial statements of Dallas Kirkland (Professions) Limited for the period from 1 January 2006 to 31 August 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

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

Basis of audit 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

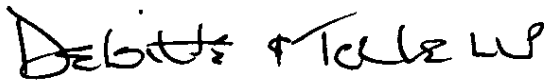
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DALLAS KIRKLAND (PROFESSIONS) LIMITED (CONTINUED)

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 company's affairs as at 31 August 2006 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Glasgow

United Kingdom

30th November 2007

DALLAS KIRKLAND (PROFESSIONS) LIMITED

PROFIT AND LOSS ACCOUNT

Period ended 31 August 2006

	Note	8 month period to 31 August 2006 £'000	12 month period to 31 December 2005 £'000
TURNOVER		2,440	3,677
Net operating expenses		(994)	(1,334)
OPERATING PROFIT	2	1,446	2,343
Interest receivable		178	245
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,624	2,588
Tax on profit on ordinary activities	4	(404)	(787)
PROFIT FOR THE FINANCIAL YEAR		1,220	1,801

There are no recognised gains or losses for the current or preceding financial period other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been presented.

DALLAS KIRKLAND (PROFESSIONS) LIMITED

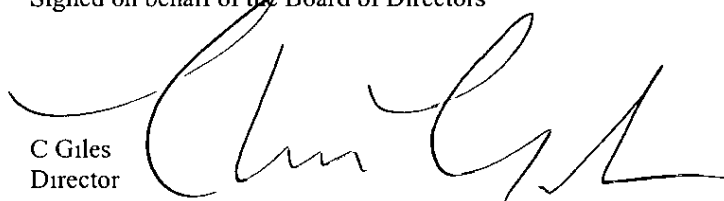
BALANCE SHEET At 31 August 2006

		8 month period to 31 August 2006		12 month period to 31 December 2005	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	6		-		8
CURRENT ASSETS					
Debtors	7	4,545		1,386	
Cash at bank and in hand		3,283		5,883	
		<u>7,828</u>		<u>7,269</u>	
CREDITORS: amounts falling due within one year	8	<u>(3,943)</u>		<u>(4,612)</u>	
			3,885		2,657
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,885</u>		<u>2,665</u>
CAPITAL AND RESERVES					
Called up share capital	10		50		50
Profit and loss account	11		3,835		2,615
SHAREHOLDERS' FUNDS			<u>3,885</u>		<u>2,665</u>

These financial statements were approved by the Board of Directors on 26 November 2007

Signed on behalf of the Board of Directors

C Giles
Director



DALLAS KIRKLAND (PROFESSIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 August 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Turnover

Turnover represents brokerage and commissions, which are taken to revenue in full at the later of the binding contract date or the renewal or commencement date of the policy

Tangible fixed assets

All fixed assets are initially recorded at cost

Depreciation

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

Computer & office equipment - 33% of cost

Deferred tax

The charge to tax takes into 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 operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Operating leases

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

DALLAS KIRKLAND (PROFESSIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period ended 31 August 2006

2. OPERATING PROFIT

	8 month period to 31 August 2006 £'000	12 month period to 31 December 2005 £'000
Operating profit is stated after charging:		
Depreciation of owned assets	9	21
Audit fee	-	5
Operating lease rentals on land and buildings	63	91
Staff costs (note 3)	778	950

The total remuneration payable, excluding VAT, to its auditors, Deloitte & Touche LLP, in respect of the audit of these accounts is £4,000, and in respect of the preparation of the tax computation is £1,000. These costs have been borne and paid for by Giles Insurance Brokers Limited, an intermediate parent company.

3. DIRECTORS AND EMPLOYEES

	8 month period to 31 August 2006 £'000	12 month period to 31 December 2005 £'000
Staff costs including directors' emoluments		
Wages and salaries	651	750
Social security costs	73	121
Other pension costs	54	79
	778	950

The average number of persons employed during the year, pro-rated for the period, including executive directors was

Insurance broking and administration

	8 month period to 31 August 2006 No	12 month period to 31 December 2005 No
	11	17

Directors

Emoluments
Directors' pension contributions in respect of personal pensions
Total directors' emoluments

	8 month period to 31 August 2006 £'000	12 month period to 31 December 2005 £'000
Emoluments	397	646
Directors' pension contributions in respect of personal pensions	10	61
Total directors' emoluments	407	707

DALLAS KIRKLAND (PROFESSIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period ended 31 August 2006

3. DIRECTORS AND EMPLOYEES (CONTINUED)

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

	8 month period to 31 August 2006 No	12 month period to 31 December 2005 No
Personal pensions	2	2

	8 month period to 31 August 2006 £'000	12 month period to 31 December 2005 £'000
Highest paid director		
Emoluments receivable	200	498
Directors' pension contributions in respect of personal pensions	-	41
	200	539

4. TAXATION

(a) Analysis of tax charge in the period

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

	8 month period to 31 August 2006 £'000	12 month period to 31 December 2005 £'000
Current tax		
UK Corporation tax based on the results for the period at 30%	408	787
Adjustment in respect of previous periods	2	-
Total current tax	410	787
Deferred tax		
Origination and reversal of timing differences	(1)	-
Adjustment in respect of previous periods	(5)	-
Tax on profit on ordinary activities	404	787

DALLAS KIRKLAND (PROFESSIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period ended 31 August 2006

(b) Factors affecting tax charge

The tax assessed on the profit before taxation for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below

	8 month period to 31 August 2006 £	12 month period to 31 December 2005 £
Profit on ordinary activities before tax	1,624	2,588
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30 % (period to 31 December 2005 – 30%)	487	776
Effects of		
Expenses not deductible for tax purposes	7	8
Capital allowances less than depreciation	1	3
Group relief not paid for	(87)	-
Adjustment in respect of previous periods	2	-
Current tax charge	410	787

5. DIVIDENDS

	8 month period to 31 August 2006 £'000	12 month period to 31 December 2005 £'000
Ordinary dividend paid nil (period to 31 December 2005 £24.00) per share	-	1,200

6. TANGIBLE FIXED ASSETS

	Computer & office equipment £'000
COST	
At 1 January 2006	76
Additions	18
At 31 August 2006	94
DEPRECIATION	
At 1 January 2006	68
Charge for the period	9
Impairment of fixed assets	17
At 31 August 2006	94
NET BOOK VALUE	
At 31 August 2006	-
At 31 December 2005	8

DALLAS KIRKLAND (PROFESSIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period ended 31 August 2006

7. DEBTORS

	8 month period to 31 August 2006 £'000	12 month period to 31 December 2005 £'000
Insurance debtors	1,069	1,361
Other debtors	8	1
Deferred tax	6	-
Amounts owed by group undertakings	3,400	-
Prepayments and accrued income	62	24
	<u>4,545</u>	<u>1,386</u>

8. CREDITORS. Amounts falling due within one year

	8 month period to 31 August 2006 £'000	12 month period to 31 December 2005 £'000
Trade creditors	27	3
Insurance creditors	3,461	3,955
Corporation tax	225	368
Accruals and deferred income	51	108
Other taxes & social security	31	28
Other creditors	148	150
	<u>3,943</u>	<u>4,612</u>

9. OPERATING LEASE COMMITMENTS

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

	8 month period to 31 August 2006 £'000	12 month period to 31 December 2005 £'000
Land and buildings expiring within one year	<u>95</u>	<u>5</u>

10. CALLED UP SHARE CAPITAL

	8 month period to 31 August 2006		12 month period to 31 December 2005	
Authorised	No	£'000	No	£'000
Ordinary shares of £1 each	<u>50,000</u>	<u>50</u>	<u>50,000</u>	<u>50</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>50,000</u>	<u>50</u>	<u>50,000</u>	<u>50</u>

DALLAS KIRKLAND (PROFESSIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period ended 31 August 2006

11 RESERVES

	8 month period to 31 August 2006 £'000	12 month period to 31 December 2005 £'000
At 1 January	2,615	2,014
Profit for the period	1,220	1,801
Dividends paid	-	1,200
At 31 August	<u>3,835</u>	<u>2,615</u>

12. 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 £54,000 (period to 31 December 2005 £79,000). Included in creditors were accrued contributions of £nil (at 31 December 2005 £nil).

13. ULTIMATE PARENT COMPANY

The company is a direct subsidiary of Quillco 227 Limited which in turn is a wholly owned subsidiary of Quillco 226 Limited, a company incorporated in Scotland. A copy of the consolidated financial statements is available from Quillco 226 Limited, Spectrum Building 7th Floor, 55 Blythswood Street, Glasgow, G2 7AT.

14. RELATED PARTY TRANSACTIONS

The company is a subsidiary of Quillco 226 Limited. The company has taken advantage of the exemptions available to subsidiary undertakings in FRS 8 "Related Party Disclosures" not to report transactions with other group companies on the basis that consolidated financial statements are available for the ultimate parent company.

15. POST BALANCE SHEET EVENTS

In the opinion of the directors, there have been no significant post balance sheet events.