

DALLAS KIRKLAND (PROFESSIONS) LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 2004

Company number: 4157814

Bentley Jennison

CHARTERED ACCOUNTANTS

Harrogate



DALLAS KIRKLAND (PROFESSIONS) LIMITED

FINANCIAL STATEMENTS

Year ended 31st December 2004

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DALLAS KIRKLAND (PROFESSIONS) LIMITED**COMPANY INFORMATION****31st December 2004**

Company number	4157814
Executive Directors	R H C Kirkland C M Hudson A Prescott
Secretary	C M Hudson
Registered Office	Dallas House Low Moor Bradford BD12 0HF
Bankers	Lloyds TSB plc 65 Hustlergate Bradford
Solicitors	Gordons 14 Piccadilly Bradford BD1 3LX
Auditors	Bentley Jennison Chartered Accountants The Hamlet Hornbeam Park Harrogate HG2 8RE

DALLAS KIRKLAND (PROFESSIONS) LIMITED**DIRECTORS' REPORT****31st December 2004**

The directors present their report and the audited financial statements for the period ended 31st December 2004.

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 **£1,399,756**. An interim dividend of **£404,167** was paid leaving a retained profit of **£995,589**.

The directors do not propose payment of a final ordinary dividend.

Donations

During the year the company made charitable donations totalling £101 (2003 £448).

Directors

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

The directors at 31st December 2004 and their interests in the shares and debentures of the company as recorded in the register of directors' interests were as follows:

	31st December 2004	31st December 2003
	Ordinary shares	Ordinary shares
R H Kirkland	45,000	45,000
A Prescott	5,000	5,000

Auditors

On 23 July 2004, wbs announced their merger with Bentley Jennison. The firm practises under the name of Bentley Jennison and the audit report has been signed accordingly.

A resolution to reappoint Bentley Jennison for the ensuing year will be proposed at the forthcoming annual general meeting.

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
Date: 9 June 2005

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 2004 on pages 5 to 13. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 on page 3, 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 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 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.

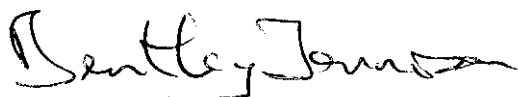
Basis of opinion

We conducted our audit in accordance with 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 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 of the state of affairs of the company as at 31st December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Harrogate
Date 9 June 2005

Bentley Jennison
Registered Auditors
Chartered Accountants

DALLAS KIRKLAND (PROFESSIONS) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2004

	Note	2004 £	2003 £
Turnover	1	3,699,678	3,337,439
Net operating expenses	2	<u>1,867,802</u>	<u>1,475,271</u>
Operating Profit	3	1,831,876	1,862,168
Interest receivable		<u>179,897</u>	<u>103,397</u>
Profit on ordinary activities before taxation		2,011,773	1,965,565
Taxation	5	<u>612,017</u>	<u>596,534</u>
Profit for the financial year		1,399,756	1,369,031
Dividends		<u>404,167</u>	<u>1,030,478</u>
Retained profit/(loss) for the year	12	<u>995,589</u>	<u>338,553</u>

DALLAS KIRKLAND (PROFESSIONS) LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****For the year ended 31st December 2004**

	2004	2003
	£	£
Profit for the Financial Year	995,589	338,553
Bonus Share Issue	-	(42,900)
Total recognised gains and losses relating to the year	995,589	295,653

DALLAS KIRKLAND (PROFESSIONS) LIMITED

BALANCE SHEET

At 31st December 2004

	Note	£	2004 £	2003 £
Fixed assets				
Tangible	7		27,544	31,834
Current assets				
Debtors - due within one year	8	1,848,034	2,136,702	
Cash at bank and in hand		5,311,956	3,791,839	
		<u>7,159,990</u>	<u>5,928,541</u>	
Creditors: amounts falling due within one year	9	<u>5,122,814</u>	<u>4,891,244</u>	
			<u>2,037,176</u>	<u>1,037,297</u>
Total assets less current liabilities			<u>2,064,720</u>	<u>1,069,131</u>
Capital and reserves				
Called up share capital	11	50,000	50,000	
Profit and loss account	12	2,014,720	1,019,131	
Total shareholders' funds			<u>2,064,720</u>	<u>1,069,131</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 June 2002).

The financial statements were approved by the board of directors on 8 June 2005 and signed on its behalf by:

R H C Kirkland


 Director

DALLAS KIRKLAND (PROFESSIONS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st December 2004****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 June 2002).

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:

Office & computer equipment	33 % of cost
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Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed 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.

DALLAS KIRKLAND (PROFESSIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 2004

2 Net Operating Expenses

	2004 £	2003 £
Administrative expenses	<u>1,867,802</u>	<u>1,475,271</u>

3 Operating profit

	£	£
Operating profit is stated after charging		
Depreciation - owned assets	24,040	18,195
Audit Fee	5,000	5,000
Operating leases rentals – other	65,702	34,561
Staff costs (note 4)	<u>1,474,769</u>	<u>837,684</u>

4 Directors and employees

	2004 £	2003 £
Staff costs including directors' emoluments		
Wages and salaries	1,243,516	775,396
Social security costs	156,684	62,288
Other pension costs	74,569	258,800
	<u>1,474,769</u>	<u>1,096,484</u>

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

	Number	
Insurance broking and administration	<u>15</u>	<u>9</u>
Directors	£	£
Emoluments	944,544	447,286
Directors' pension contributions in respect of personal pensions	<u>60,918</u>	<u>244,891</u>
Total director's emoluments	<u>1,005,462</u>	<u>692,177</u>

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

Personal pensions	<u>2</u>	<u>2</u>
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DALLAS KIRKLAND (PROFESSIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 2004

4 Directors and employees (continued)

	2004 £	2003 £
Highest paid director		
Emoluments	785,693	300,000
Directors' pension contributions in respect of personal pensions	41,400	230,062
	<u>827,093</u>	<u>530,062</u>

5 Taxation

Analysis of tax charge

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

	£	£
Current tax:		
UK Corporation tax	<u>612,017</u>	<u>596,534</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:

Profit on ordinary activities before tax	<u>2,011,773</u>	<u>1,965,565</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003 30%)	603,532	589,670
Effects of:		
Expenses not deductible for tax purposes	4,933	6,110
Capital allowances less than depreciation	<u>3,552</u>	<u>754</u>
Current tax charge	<u>612,017</u>	<u>596,534</u>

DALLAS KIRKLAND (PROFESSIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 2004

6 Dividends

	£	£
Ordinary dividend paid £8.08 (2003 £20.61) per share	<u>404,167</u>	<u>1,030,478</u>

7 Tangible fixed assets

Computer
& Office
Equipment

	£
Cost	
1st January 2004	54,567
Additions	19,750
31st December 2004	<u>74,317</u>
Depreciation	
1st January 2004	22,733
Charge for period	24,040
31st December 2004	<u>46,773</u>
Net book value	
31 st December 2004	<u>27,544</u>
31st December 2003	<u>31,834</u>

8 Debtors

	2004 £	2003 £
Amounts falling due within one year		
Insurance debtors	1,828,929	2,108,295
Other debtors	4,105	13,407
Prepayments and accrued income	15,000	15,000
	<u>1,848,034</u>	<u>2,136,702</u>

DALLAS KIRKLAND (PROFESSIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 2004

9 Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	1,374	4,750
Insurance creditors	4,470,202	4,571,269
Corporation tax	237,017	145,442
Accruals and deferred income	389,049	150,172
Other Taxes & Social Security	24,664	19,245
Other creditors	508	367
	<u>5,122,814</u>	<u>4,891,245</u>

10 Operating lease commitments

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

	2004 £	2003 £
Expiring:		
Within one year	<u>65,702</u>	<u>49,277</u>

11 Called up share capital

	2004		2003	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Allotted called up and fully paid				
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 2004

12 Reserves

	2004	2003
	£	£
1st January 2004	1,019,131	730,478
Retained profit for the year	995,589	338,553
Bonus issue of ordinary shares	-	(49,900)
	<u>2,014,720</u>	<u>1,019,131</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 £74,569 (2003 £258,800).

14 Related Parties

During the year the company utilised the professional services of Mrs N Kirkland, spouse of Mr R H C Kirkland (Director) totalling £24,000. The outstanding balance at the year-end was £nil.

15 Control Relationship

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