COMPANY REGISTRATION NUMBER 4238899

D.S.HOWELL (INSURANCE BROKERS) LIMITED **ABBREVIATED ACCOUNTS** FOR THE YEAR ENDED **31 DECEMBER 2005**

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COMPANIES HOUSE

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

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INDEPENDENT AUDITOR'S REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of the company for the year ended 31 December 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

CLAY SHAW THOMAS LIMITED

Chartered Accountants & Registered Auditors

Ty Atebion Bocam Park Bridgend CF35 5LJ

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ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2005

	2005			2004	
	Note	£	£	£	£
FIXED ASSETS	2				
Intangible assets			90,737		162,551
Tangible assets			31,159		44,920
			121,896		207,471
CURRENT ASSETS					
Debtors		141,621		145,727	
Cash at bank and in hand		488,849		377,372	
		630,470		523,099	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	3	225 524		200 700	
	3	325,521		388,708	
NET CURRENT ASSETS			304,949		134,391
TOTAL ASSETS LESS CURRENT LIA	BILITIE	S	426,845		341,862
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE					
YEAR	4		-		51,326
PROVISIONS FOR LIABILITIES AN	ND CHAR	GES	2,645		2,850
			42 <u>4,200</u>		287,686
CAPITAL AND RESERVES					
Called-up equity share capital	5		2		2
Profit and loss account			424,198		287,684
SHAREHOLDERS' FUNDS			424,200		287,686
*!!-!		.1			

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 3 day and are signed on their behalf

by:

Mr P Hicks **DIRECTOR** Mr K Buckley DIRECTOR

The notes on pages 3 to 6 form part of these abbreviated accounts.

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

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).

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

- -Financial Reporting Standard for Smaller Entities (effective January 2005); and
- -FRS 21 'Events after the Balance Sheet date (IAS 10)'.

Financial Reporting Standard for Smaller Entities (effective January 2005)

The company has adopted the FRSSE (effective January 2005) for the first time, the majority of the accounting requirements of which are the same as the previous version of the FRSSE. The impact of the FRSSE (effective January 2005) on the current and previous years profit and loss account and balance sheet are noted under FRS 21 below.

FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

The adoption of FRS 21 has no impact on the current year or previous years profit.

Turnover

Turnover represents brokerage and fees which are taken to credit when debit or fee notes are issued irrespective of the inception date or period of insurance. Alterations in brokerage arising from return and additional premiums and adjustments are taken into account as and when these occur.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2002 and a further acquisition of a separate business in 2003, is being written off in equal amounts over a period of five years from the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill

20% Straight Line

Fixed assets

All fixed assets are initially recorded at cost.

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES (continued)

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles

25% Reducing Balance

Equipment

- 20% Reducing Balance

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES (continued)

Insurance debtors and creditors

The company acts as agent in broking the insurable risks of clients and normally is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationship with clients and underwriters, the company has followed generally accepted accounting practice for insurance brokers by showing debtors, creditors and cash balances relating to insurance business as assets and liabilities of the company itself. This recognises that the company is entitled to retain the investment income on any cash flows arising from these transactions. In the ordinary course of insurance broking business, settlement is required to be made with certain market settlement bureaux, insurance intermediaries or insurance companies on the basis of the net balance due to or from them rather than the amount due to or from the individual third parties which it represents. However under Financial Reporting Standard 5, assets and liabilities may not be offset unless net settlement is legally enforceable and, therefore, insurance debtors and creditors are shown gross within these financial statements.

2. FIXED ASSETS

	Intangible	** 1	Total
	Assets I an	Assets Tangible Assets	
	£	£	£
COST			
At 1 January 2005	311,069	71,883	382,952
Additions	_	1,899	1,899
Disposals	_	(13,995)	(13,995)
At 31 December 2005	311,069	59,787	370,856
DEPRECIATION	No. 180 & S. G.		
	1E6 E10	26.062	102 401
At 1 January 2005	156,518	26,963	183,481
Charge for year	63,814	7,790	71,604
On disposals	_	(6,125)	(6,125)
At 31 December 2005	220,332	28,628	248,960
NET BOOK VALUE			
At 31 December 2005	90,737	31,159	121,896
At 31 December 2004	154,551	44,920	199,471
		<u> </u>	,

3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

The following liabilities disclosed under creditors falling due within one year are secured by the company:

2005	2004
£	£
	<u>3,560</u>
	£

4. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

Company.	2005	2004
	£	£
Hire purchase agreements	-	4,326

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

5.	SHARE CAPITAL				
	Authorised share capital:				
	10,000 Ordinary shares of £1 each		2005 £ 10,000		2004 £ 10,000
	Allotted, called up and fully paid:				
		2005 No	£	2004 No	ŗ
	Ordinary shares of £1 each	. 2	2	2	2