

Lloyd & Whyte (South West) Limited

Annual Report

Year Ended 31 December 2006

Company Registration Number 5076451

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Lloyd & Whyte (South West) Limited

Financial Statements

Year Ended 31 December 2006

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Lloyd & Whyte (South West) Limited

Directors' Report

Year Ended 31 December 2006

The directors present their report and the financial statements of the company for the year ended 31 December 2006.

Principal Activities

The principal activity of the company during the year was that of insurance broking.

Directors

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

M A Pyke

M M Pyke

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 judgements and estimates that are reasonable and prudent;
- 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint Francis Clark as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Lloyd & Whyte (South West) Limited

Directors' Report *(continued)*

Year Ended 31 December 2006

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

9 The Crescent

Taunton

Somerset

TA1 4EA

Signed by order of the directors



A G Miller
Company Secretary

Lloyd & Whyte (South West) Limited

Independent Auditor's Report to the Shareholders of Lloyd & Whyte (South West) Limited

Year Ended 31 December 2006

We have audited the financial statements of Lloyd & Whyte (South West) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

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 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 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 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 other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Lloyd & Whyte (South West) Limited

Independent Auditor's Report to the Shareholders of Lloyd & Whyte (South West) Limited
(continued)

Year Ended 31 December 2006

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its loss for the year 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.

Francis Clark
Chartered Accountants
9 The Crescent
Taunton
Somerset
TA1 4EA

29-10-06



Registered Auditors

Lloyd & Whyte (South West) Limited

Profit and Loss Account

Year Ended 31 December 2006

	Note	2006 £	2005 £
Turnover	2	268,857	383,756
Administrative expenses		<u>(297,943)</u>	<u>(393,799)</u>
Operating Loss	3	(29,086)	(10,043)
Interest receivable		3,467	2,616
Interest payable and similar charges		<u>(15,223)</u>	<u>(4)</u>
Loss on Ordinary Activities Before Taxation		(40,842)	(7,431)
Tax on loss on ordinary activities		—	—
Loss for the Financial Year		<u>(40,842)</u>	<u>(7,431)</u>

Lloyd & Whyte (South West) Limited

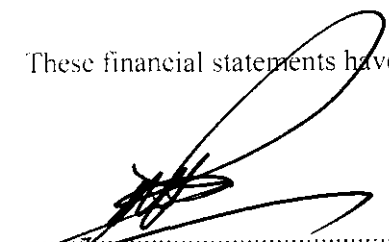
Balance Sheet


31 December 2006

	Note	2006 £	2005 £
Fixed Assets			
Intangible assets	4	238,505	268,318
Tangible assets	5	9,750	11,926
		<u>248,255</u>	<u>280,244</u>
Current Assets			
Debtors	6	153,237	61,323
Cash at bank		116,630	113,334
		<u>269,867</u>	<u>174,657</u>
Creditors: Amounts falling due within one year	7	(465,552)	(361,489)
Net Current Liabilities		<u>(195,685)</u>	<u>(186,832)</u>
Total Assets Less Current Liabilities		<u>52,570</u>	<u>93,412</u>
Creditors: Amounts falling due after more than one year	8	(50,000)	(50,000)
		<u>2,570</u>	<u>43,412</u>
Capital and Reserves			
Called-up equity share capital	10	50,000	50,000
Profit and loss account	11	(47,430)	(6,588)
Shareholders' Funds		<u>2,570</u>	<u>43,412</u>

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

These financial statements have been approved for issue by the Board of Directors on 17.10.07


M A Pyke


M M Pyke

Lloyd & Whyte (South West) Limited

Notes and Accounting Policies

Year Ended 31 December 2006

1. Accounting Policies

(a) 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).

(b) Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the Financial Reporting Standard for Smaller Entities (effective January 2005).

(c) Turnover

Turnover is represented by brokerage earned on insurance policies. Brokerage is recognised when the premium becomes payable by the client. Also included in turnover are management charges to other group companies.

(d) 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 - 10 years

(e) Fixed assets

All fixed assets are initially recorded at cost.

(f) 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:

Furniture & Equipment - 20% Reducing Balance

(g) 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.

(h) 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.

Lloyd & Whyte (South West) Limited

Notes and Accounting Policies

Year Ended 31 December 2006

1. Accounting Policies *(continued)*

(i) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Turnover

The income and profit before taxation are attributable to the one principal activity of the company, all arising in the United Kingdom

3. Operating Loss

Operating loss is stated after charging/(crediting):

	2006 £	2005 £
Pension costs	9,833	8,917
Amortisation	29,813	29,814
Depreciation of owned fixed assets	2,438	2,982
Auditor's fees	2,585	2,350
Write back of inter company loans	<u>(35,000)</u>	<u>—</u>

4. Intangible Fixed Assets

	Goodwill £	Lease £	Total £
Cost			
At 1 January 2006 and 31 December 2006	<u>298,131</u>	<u>1</u>	<u>298,132</u>
Amortisation			
At 1 January 2006	29,814	—	29,814
Charge for the year	<u>29,813</u>	<u>—</u>	<u>29,813</u>
At 31 December 2006	<u>59,627</u>	<u>—</u>	<u>59,627</u>
Net Book Value			
At 31 December 2006	<u>238,504</u>	<u>1</u>	<u>238,505</u>
At 31 December 2005	<u>268,317</u>	<u>1</u>	<u>268,318</u>

Lloyd & Whyte (South West) Limited

Notes and Accounting Policies

Year Ended 31 December 2006

5. Tangible Fixed Assets

	Equipment & Furniture £
Cost	
At 1 January 2006	14,908
Additions	262
At 31 December 2006	15,170
Depreciation	
At 1 January 2006	2,982
Charge for the year	2,438
At 31 December 2006	5,420
Net Book Value	
At 31 December 2006	9,750
At 31 December 2005	11,926

6. Debtors

	2006 £	2005 £
Trade debtors	33,569	22,309
Other debtors	99,279	27,774
Prepayments and accrued income	20,389	11,240
	153,237	61,323

7. Creditors: Amounts falling due within one year

	2006 £	2005 £
Bank loans and overdrafts	1,798	—
Trade creditors	142,655	86,779
PAYE and social security	8,324	4,306
Other creditors	—	4,821
Other creditors	301,051	85,964
Accruals and deferred income	11,724	179,619
	465,552	361,489

8. Creditors: Amounts falling due after more than one year

	2006 £	2005 £
Other creditors	50,000	50,000

Lloyd & Whyte (South West) Limited

Notes and Accounting Policies

Year Ended 31 December 2006

9. Related Party Transactions

The company is a wholly owned subsidiary of Lloyd & Whyte Group Limited. At the year end, the company owed £351,051 (2005: £135,964) to Lloyd & Whyte Group Limited. During the year £35,000 was written off this loan.

The directors of the company are also directors of Lloyd & Whyte Limited. During the year, the company charged £Nil (2005: £60,000) in management charges to Lloyd & Whyte Limited. At the year end, the company was owed £99,279 (2005: £27,774) by Lloyd & Whyte Limited.

10. Share Capital

Authorised share capital:

	2006 £	2005 £
Equity shares		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Equity shares				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

11. Profit and Loss Account

	2006 £	2005 £
Balance brought forward	(6,588)	843
Loss for the financial year	<u>(40,842)</u>	<u>(7,431)</u>
Balance carried forward	<u>(47,430)</u>	<u>(6,588)</u>

12. Post balance sheet events

Following the year end the company has sold one of its branches. The proceeds from this sale are not materially different from the asset value disclosed in the accounts.

13. Ultimate Parent Company

The ultimate parent company of Lloyd & Whyte (South West) Limited is Lloyd & Whyte Group Limited which owns 100% of the issued share capital. Lloyd & Whyte Group Limited is under the control of M A Pyke and M M Pyke.