

**DASHWOOD BREWER & PHIPPS LTD**  
**DIRECTORS REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**  
**REGISTERED NUMBER: 02122641**

# DASHWOOD BREWER & PHIPPS LTD

## COMPANY INFORMATION

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DIRECTORS	Mr. N.C. Belcourt Mr. V. Gopinathan Ms. M.T. Hazell Mr. R.J. Parkins
SECRETARY	Mr V. Gopinathan
COMPANY NUMBER	02122641
REGISTERED OFFICE	Independent House 5-7 Cutler Street London E1 7DJ
AUDITORS	Moore Stephens LLP Chartered Accountants and Registered Auditors 150 Aldersgate Street London EC1A 4AB

# DASHWOOD BREWER & PHIPPS LTD

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# **DASHWOOD BREWER & PHIPPS LTD**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2010**

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The directors present their report and the financial statements for the year ended 31 March 2010.

#### **PRINCIPAL ACTIVITIES**

The Company's principal activity is that of insurance and reinsurance broking.

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

Despite the slow global economic recovery, tough market conditions and increasing pressure from competitors, the Company has reported a profitable result for the financial year ending 31 March 2010.

The directors are pleased to note that the operating profit on ordinary activities has increased significantly despite a small fall in brokerage income. This has been achieved by continued monitoring of the operating costs.

The Company's operating profit amounted to £312,017 (2009 - £217,533) and the profit after tax amounted to £235,653 (2009 - £144,309).

The directors recommended and authorised the payment of a final dividend of £225,000 (2009 - £100,000).

The Company continues to expand its business in areas of strength with the introduction of new products to enhance the existing business portfolio. The Company will also continue to look to expand the portfolio of business through the acquisition of new teams and/or individual producers.

#### **DIRECTORS**

The directors who served during the year were:-

Mr. N.C. Belcourt

Mr. V. Gopinathan

Ms. M.T. Hazell

Mr. R.J. Parkins

Mr. I.D. Russell (resigned 31 March 2010)

#### **DIRECTORS AND OFFICERS INSURANCE COVER**

The Company's parent undertaking, Dashwood Group Ltd, has a Directors and Officers insurance policy in place for all the companies in the Group.

# **DASHWOOD BREWER & PHIPPS LTD**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2010**

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#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent; 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

#### **AUDITORS**

Under section 487 of the Companies Act 2006, Moore Stephens LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware at the time the report is approved:

There is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

The information given in the Directors' Report is consistent with the financial statements.

In preparing this report, the directors have taken advantage of the Small Companies Exemptions provided by Section 415A of the Companies Act 2006.

This report was approved by the Board on 16 July 2010 and signed on its behalf.

**Mr V.Gopinathan**  
**Secretary.**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DASHWOOD BREWER & PHIPPS LTD**

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We have audited the financial statements of Dashwood Brewer & Phipps Ltd for the year ended 31 March 2010 which are set out on pages 4 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 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 explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Boards (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter(s) prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

George Luck  
Senior Statutory Auditor  
For and on behalf of Moore Stephens LLP, Statutory Auditor  
150 Aldersgate Street  
London EC1A 4AB  
27 July 2010

# DASHWOOD BREWER & PHIPPS LTD

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2010

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	Note	2010 £	2009 £
TURNOVER	2	3,002,180	3,176,898
ADMINISTRATIVE EXPENSES		(2,891,109)	(3,128,611)
OTHER OPERATING INCOME	3	<u>200,946</u>	<u>169,246</u>
<b>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>	4	<b>312,017</b>	<b>217,533</b>
Interest payable	7	<u>(8,392)</u>	<u>(26,932)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>303,625</b>	<b>190,601</b>
TAX ON PROFIT ON ORDINARY ACTIVITIES	8	<u>(67,972)</u>	<u>(46,292)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR</b>		<b>235,653</b>	<b>144,309</b>
DIVIDENDS	9	<u>(225,000)</u>	<u>(100,000)</u>
<b>RETAINED PROFIT FOR THE YEAR</b>		<b><u>10,653</u></b>	<b><u>44,309</u></b>

The notes on pages 6 to 13 form part of these financial statements.

# DASHWOOD BREWER & PHIPPS LTD

## BALANCE SHEET

AS AT 31 MARCH 2010

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	Note	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	11,701	12,202
Intangible fixed assets	11	-	-
		<u>11,701</u>	<u>12,202</u>
<b>CURRENT ASSETS</b>			
Debtors	12	6,644,237	11,740,003
Cash at bank and in hand	13	5,738,328	3,209,457
		<u>12,382,565</u>	<u>14,949,460</u>
<b>CREDITORS:</b> amounts falling due within one year	14	(11,326,922)	(13,904,971)
		<u>1,055,643</u>	<u>1,044,489</u>
<b>NET CURRENT ASSETS</b>		<u>1,055,643</u>	<u>1,044,489</u>
<b>NET ASSETS</b>		<u>1,067,344</u>	<u>1,056,691</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	1,000,000	1,000,000
Profit and loss account	17	67,344	56,691
		<u>1,067,344</u>	<u>1,056,691</u>
<b>SHAREHOLDERS' FUNDS - All Equity</b>		<u>1,067,344</u>	<u>1,056,691</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on 16 July 2010 and signed on its behalf.

**Mr. N.C. Belcourt**  
Director

**Mr. R.J. Parkins**  
Director.

The notes on pages 6 to 13 form part of these financial statements.

Company registered in England and Wales bearing number 02122641

# DASHWOOD BREWER & PHIPPS LTD

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2010

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and are prepared in accordance with the Financial Report Standard for Smaller Entities (effective April 2008).

##### 1.2 Turnover

Turnover represents brokerage earned and commission receivable.

##### 1.3 Recognition of income and expenditure

Brokerage income is recognised at inception or later on the issuance of debit notes where the contractual obligations had not been completed at the earlier date.

It is not practicable to devise accounting policies which consistently match revenue from brokerage with the related expenses. Accordingly, expenses are recognised as they occur.

##### 1.4 Insurance broking assets and liabilities

The Company acted as an agent in broking the insurable risks of its clients and, generally, is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the Company's legal relationship with clients and underwriters and since in practice premium and claim monies are usually accounted for by insurance intermediaries, it has followed generally accepted accounting practice by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the Company itself.

In the normal course of business, settlement is required to be made with certain markets, market settlement bureaux or insurance intermediaries on the basis of the net balance due to or from the market bureau or intermediary in question, rather than the amounts due to or from the individual third parties which it represents.

In accordance with Financial Reporting Standard for Smaller Entities (effective April 2008) and Financial Reporting Standard 5, assets and liabilities are shown gross within these financial statements.

##### 1.5 Cashflow Statement

The financial statements do not include a cash flow statement because the company, as a small entity, is exempt from the requirements to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### 1.6 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for timing differences arising on revaluations of fixed assets which are not intended to be sold and gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

##### 1.7 Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

Furniture and equipment	25% of cost per annum
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# DASHWOOD BREWER & PHIPPS LTD

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2010

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 Intangible fixed assets and amortisation

Intangible fixed assets will be written off over the useful economic life of the asset. The rates generally applicable are:

Purchased goodwill – 33 1/3% on cost per annum.

##### 1.9 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Foreign brokerage and interest receivable are translated at either actual rates of exchange or average rates approximating thereto. Exchange differences are taken into account in arriving at the operating profit.

##### 1.10 Client monies held within statutory or non-statutory trust client bank accounts

As required by the FSA, the Company holds funds on behalf of its clients within statutory or non-statutory trust client bank accounts and the latter are subject to trust deeds. These monies do not belong to the Company. However, as the client and underwriter debtor and creditor balances are shown in the books, the Company considers it necessary to include on its balance sheet cash balances held within statutory or non statutory trust client bank accounts.

##### 1.11 Interest receivable

In line with similar entities interest receivable earned from managing operating cash balances is included within the operating profit.

##### 1.12 Pensions costs

The Company operates defined contribution personal pension schemes and the pension charge represents the amounts payable.

#### 2. TURNOVER

The whole of the turnover is attributable to the Company's principal activity.

Geographical analysis of turnover by reference to the Company's client destination is as follows:

	2010 %	2009 %
United Kingdom	8	7
Rest of Europe	1	4
USA and Canada	85	79
Rest of the world	6	10
	<u>100</u>	<u>100</u>

# DASHWOOD BREWER & PHIPPS LTD

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2010

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#### 3. OTHER OPERATING INCOME

	2010 £	2009 £
Interest receivable	9,120	98,341
Exchange gains	<u>191,826</u>	<u>70,905</u>
	<u><u>200,946</u></u>	<u><u>169,246</u></u>

#### 4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2010 £	2009 £
Depreciation of tangible and intangible fixed assets: - owned by the Company	10,633	15,716
Exchange gains	(191,826)	(70,905)
Auditors' remuneration – audit work	20,000	21,500
Auditors' remuneration – non-audit work (client money audit)	3,500	3,500
Operating lease rental – land and buildings	<u>104,500</u>	<u>104,500</u>

#### 5. DIRECTORS' REMUNERATION

	2010 £	2009 £
Emoluments	<u>731,018</u>	<u>629,392</u>
Company pension contributions to money purchase pension schemes	<u>153,658</u>	<u>253,684</u>

During the year, retirement benefits were accruing to 5 directors (2009 – 5 directors) in respect of money purchase pension schemes.

The highest paid director's emoluments before pension contributions amounted to £293,072 (2009: £146,775) and the pension contributions amounted to £15,625 (2009: £28,125).

# DASHWOOD BREWER & PHIPPS LTD

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2010

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#### 6. PENSION COMMITMENTS

The Company operates defined contribution personal pension schemes for the benefit of the employees. The assets of these schemes are administered by trustees in funds independent from those of the company. The total contributions payable amounted to £255,796 (2009 - £357,339) and the balance outstanding at the year end amounted to £21,370 (2009 - £166,054).

#### 7. INTEREST PAYABLE

	2010	2009
	£	£
On bank loans and overdrafts	<u>8,392</u>	<u>26,932</u>

#### 8. TAXATION

	2010	2009
	£	£
<b>CURRENT TAX</b>		
UK Corporation Tax on Profit for the year	30,813	45,217
Adjustments in respect of prior periods	<u>1,705</u>	<u>-</u>
Total current tax	<u>32,518</u>	<u>45,217</u>
Deferred tax		
Reversal and origination of timing differences in respect of capital allowances and other short-term timing differences (see note 15)	<u>35,454</u>	<u>1,075</u>
Total deferred tax (see note 15)	<u>35,454</u>	<u>1,075</u>
Tax on profit on ordinary activities	<u>67,972</u>	<u>46,292</u>

UK corporation tax has been charged on profits at 22.3% (2009 – 23.4%)

There were no other factors that may affect current or future tax charges.

#### 9. DIVIDENDS

	2010	2009
	£	£
Final dividends on ordinary shares	<u>225,000</u>	<u>100,000</u>

# DASHWOOD BREWER & PHIPPS LTD

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2010

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#### 10. TANGIBLE FIXED ASSETS

	Other fixed assets	Total
	£	£
<b>Cost</b>		
At 1 April 2009	447,792	447,792
Additions	<u>10,131</u>	<u>10,131</u>
At 31 March 2010	<u>457,923</u>	<u>457,923</u>
<b>Depreciation</b>		
At 1 April 2009	435,590	435,590
Charge for the year	<u>10,632</u>	<u>10,632</u>
At 31 March 2010	<u>446,222</u>	<u>446,222</u>
<b>Net book value</b>		
At 31 March 2010	<u>11,701</u>	<u>11,701</u>
At 31 March 2009	<u>12,202</u>	<u>12,202</u>

#### 11. INTANGIBLE FIXED ASSETS

	Goodwill £	Total £
<b>Goodwill</b>		
<b>Cost</b>		
At 1 April 2009 and 31 March 2010	<u>50,000</u>	<u>50,000</u>
<b>Amortisation</b>		
At 1 April 2009 and 31 March 2010	<u>50,000</u>	<u>50,000</u>
<b>Net book value</b>		
At 31 March 2009 and 31 March 2010	<u>-</u>	<u>-</u>

#### 12. DEBTORS

	2010 £	2009 £
<b>Due within one year</b>		
Trade debtors	6,500,581	11,581,966
Amounts owed by fellow subsidiary undertaking	-	13,996
Other debtors	52,354	43,058
Deferred taxation (see Note 15)	15,543	50,997
Prepayments and accrued income	<u>75,759</u>	<u>49,986</u>
	<u>6,644,237</u>	<u>11,740,003</u>

# DASHWOOD BREWER & PHIPPS LTD

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2010

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#### 13. CASH AT BANK AND IN HAND

The Company is regulated by the Financial Services Authority ("FSA"). As required by the FSA, client monies are held in statutory and non-statutory trust client bank accounts. The use and governance of the balances held within these accounts are determined by trust deeds and by the FSA's client asset rules source book (CASS). The cash at bank and in hand as at 31 March 2010 includes £5,081,379 (2009: £2,613,615) of client monies held in statutory and non-statutory trust client bank accounts. At the year end the Company's insurance broking assets and liabilities were as follows:-

	2010	2009
	£	£
Cash at bank and in hand	5,081,379	2,613,615
Insurance debtors	6,500,581	11,581,966
Insurance creditors	<u>(10,524,922)</u>	<u>(13,160,495)</u>
Excess of insurance broking assets over liabilities	<u>1,057,038</u>	<u>1,035,086</u>

#### 14. CREDITORS: Amounts falling due within one year

	2010	2009
	£	£
Trade creditors	10,524,922	13,160,495
Amounts owed to parent undertaking	228,165	60,833
Corporation tax	30,813	45,217
Social security and other taxes	180,273	49,433
Other creditors	31,111	21,808
Accruals and deferred income	<u>331,638</u>	<u>567,185</u>
	<u>11,326,922</u>	<u>13,904,971</u>

#### 15. DEFERRED TAXATION

	2010	2009
	£	£
At 1 April 2009	50,997	52,072
Charge for the year	<u>(35,454)</u>	<u>(1,075)</u>
At 31 March 2010	<u>15,543</u>	<u>50,997</u>

The deferred tax asset is made up as follows:

	2010	2009
	£	£
Short-term timing differences	-	33,754
Accelerated capital allowances	<u>15,543</u>	<u>17,243</u>
Deferred tax asset	<u>15,543</u>	<u>50,997</u>

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# DASHWOOD BREWER & PHIPPS LTD

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2010

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#### 16. SHARE CAPITAL

	As at 31 March 2010	As at 31 March 2009
	£	£
<b>Allotted, called up and fully paid</b>		
10,000,000 ordinary shares of £0.10p each	<u>1,000,000</u>	<u>1,000,000</u>

#### 17. PROFIT AND LOSS ACCOUNT

	2010 £	2009 £
Profit on ordinary activities after taxation	235,653	144,309
Dividends	<u>(225,000)</u>	<u>(100,000)</u>
Retained profit for the year	10,653	44,309
Balance at 1 April	<u>56,691</u>	<u>12,382</u>
At 31 March	<u>67,344</u>	<u>56,691</u>

#### 18. OPERATING LEASE COMMITMENTS

##### Land and Buildings

At 31 March 2010, the Company had annual commitments under non-cancellable operating leases due to expire as follows:

	2010 £	2009 £
Less than 1 year	11,000	-
1 and 2 years	-	11,000
2 and 3 years	93,500	-
2 and 5 years	<u>-</u>	<u>93,500</u>
	<u>104,500</u>	<u>104,500</u>

#### 19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is Dashwood Group Ltd, which owns 100% of the share capital in the Company and is registered in England and Wales.

The consolidated Group Financial Statements of Dashwood Group Ltd are available from Independent House, 7 Cutler Street, London, E1 7DJ.

In the opinion of the directors, the Company is controlled by its parent undertaking.

# DASHWOOD BREWER & PHIPPS LTD

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2010

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#### 20. RELATED PARTY TRANSACTIONS

The Company has taken exemptions not to disclose inter Group transactions, as a wholly owned subsidiary company.

#### 21. BANK LOAN

The Company has provided cross guarantees to the Royal Bank of Scotland Plc in respect of a loan taken out by the Parent Undertaking Dashwood Group Ltd by providing a fixed and floating charge on all assets, other than insurance assets.

The outstanding Group loan balance at the year end amounted to £420,000 (2009 - £480,000).