

COMPANY REGISTRATION NUMBER 1919541

D. BARNETT (BROKERS) LIMITED
FINANCIAL STATEMENTS
FOR
31 MAY 2006



EDWARDS VEEDER (OLDHAM) LLP
Chartered Accountants & Registered Auditors
Brunswick Square
Union Street
Oldham
OL1 1DE

D. BARNETT (BROKERS) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2006

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D. BARNETT (BROKERS) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

D. Barnett
B. Jackson
S. Diner
D. W. Gibbs
P. Twitchett
S. Goldstone

Company secretary

S. Goldstone

Registered office

Barnett House
Viking Street
Bolton
BL3 2RR

Auditor

Edwards Veeder (Oldham) LLP
Chartered Accountants
& Registered Auditors
Brunswick Square
Union Street
Oldham
OL1 1DE

Bankers

Yorkshire Bank PLC
5-9 The Rock
Bury
Lancashire
BL9 0YB

D. BARNETT (BROKERS) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MAY 2006

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 May 2006.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The year has seen a 3.2% increase in income earned, which in a difficult and highly competitive market, the directors consider to be satisfactory. This has resulted in net profits of £263,194 before taxation. After dividends paid net assets have fallen from £197,690(restated) to £176,351.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £180,661. Particulars of dividends paid are detailed in note 8 to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives and policies

a) Interest rate risk: the company borrows at fixed and floating rates of interest. The policy of the company is that the Board will continue to monitor this position to ensure that the interest rate risk is appropriate to the company's business.

b) Liquidity risk and cash flow risk; the objective of the company is to maintain a balance between continuity of funding and flexibility by the use of fixed loans and overdraft facility.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £0.10 each	
	At	At
	31 May 2006	1 June 2005 or later date of appointment
D. Barnett	7,417	7,417
B. Jackson	5,157	5,157
S. Diner	-	-
D. W. Gibbs	-	-
P. Twitchett	-	-
	<hr/>	<hr/>

P. Twitchett was appointed as a director on 24 August 2005.

S. Goldstone was appointed as a director on 13 July 2006.

D. BARNETT (BROKERS) LIMITED**THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 31 MAY 2006****DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 year.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 10 to 12, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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 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.

DONATIONS

During the year the company made the following contributions:

	2006	2005
	£	£
Charitable	<u>7,647</u>	<u>4,814</u>

AUDITOR

A resolution to re-appoint Edwards Veeder (Oldham) LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Barnett House
Viking Street
Bolton
BL3 2RR

Signed by order of the directors



S. GOLDSTONE
Company Secretary

Approved by the directors on 27/9/06.....

D. BARNETT (BROKERS) LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF D.
BARNETT (BROKERS) LIMITED****YEAR ENDED 31 MAY 2006**

We have audited the financial statements of D. Barnett (Brokers) limited for the year ended 31 May 2006 on pages 6 to 19 which have been prepared on the basis of the accounting policies set out on pages 10 to 12.

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 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 AUDITOR

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 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.

D. BARNETT (BROKERS) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF D.
BARNETT (BROKERS) LIMITED *(continued)***

YEAR ENDED 31 MAY 2006

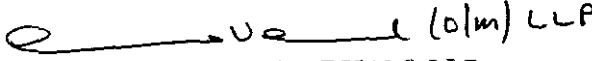
OPINION

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 the company's affairs as at 31 May 2006 and of its profit for the year then ended and 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.

Brunswick Square
Union Street
Oldham
OL1 1DE

5.10.2006


EDWARDS VEEDER (OLDHAM) LLP
Chartered Accountants
& Registered Auditors

D. BARNETT (BROKERS) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 MAY 2006**

	Note	2006 £	2005 <i>Restated</i> £
TURNOVER	2	1,266,271	1,226,684
Administrative expenses		1,031,358	1,053,038
Other operating income		(7,252)	(2,824)
OPERATING PROFIT	3	242,165	176,470
Interest receivable and similar income		25,938	24,651
Interest payable and similar charges	6	(4,909)	(4,947)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		263,194	196,174
Tax on profit on ordinary activities	7	82,533	61,164
PROFIT FOR THE FINANCIAL YEAR		180,661	135,010

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

D. BARNETT (BROKERS) LIMITED**BALANCE SHEET****31 MAY 2006**

		2006		2005 <i>Restated</i>	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9		235,703		165,732
CURRENT ASSETS					
Debtors	10	590,971		741,915	
Cash at bank and in hand	11	463,094		749,602	
		<u>1,054,065</u>		<u>1,491,517</u>	
CREDITORS: Amounts falling due within one year	12	<u>1,054,340</u>		<u>1,437,205</u>	
NET CURRENT (LIABILITIES)/ASSETS			(275)		54,312
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>235,428</u>		<u>220,044</u>
CREDITORS: Amounts falling due after more than one year	13		<u>44,978</u>		<u>9,008</u>
			<u>190,450</u>		<u>211,036</u>
PROVISIONS FOR LIABILITIES					
Deferred taxation	15		<u>14,099</u>		<u>13,346</u>
			<u>176,351</u>		<u>197,690</u>
CAPITAL AND RESERVES					
Called-up equity share capital	19		1,257		1,257
Profit and loss account			<u>175,094</u>		<u>196,433</u>
SHAREHOLDERS' FUNDS	21		<u>176,351</u>		<u>197,690</u>

These financial statements were approved by the directors on the 27/9/06 and are signed on their behalf by:



.....
D. BARNETT

D. BARNETT (BROKERS) LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31 MAY 2006**

	2006	2005
	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(16,530)	559,855
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	25,938	24,651
Interest paid	—	(2,767)
Interest element of hire purchase	<u>(4,909)</u>	<u>(2,180)</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21,029	19,704
TAXATION	(29,622)	(169,917)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(22,086)	(11,380)
Receipts from sale of fixed assets	<u>26,001</u>	<u>20,249</u>
NET CASH INFLOW FROM CAPITAL EXPENDITURE	3,915	8,869
EQUITY DIVIDENDS PAID	(202,000)	(10,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING	(223,208)	408,511
FINANCING		
Capital element of hire purchase	<u>(63,300)</u>	<u>(13,841)</u>
NET CASH OUTFLOW FROM FINANCING	(63,300)	(13,841)
(DECREASE)/INCREASE IN CASH	<u>(286,508)</u>	<u>394,670</u>

D. BARNETT (BROKERS) LIMITED**CASH FLOW STATEMENT** *(continued)***YEAR ENDED 31 MAY 2006****RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2006	2005
	£	£
Operating profit	242,165	176,470
Depreciation	56,366	37,913
Profit on disposal of fixed assets	(7,252)	(2,824)
Decrease/(increase) in debtors	150,944	(142,605)
(Decrease)/increase in creditors	(458,753)	490,901
Net cash (outflow)/inflow from operating activities	(16,530)	559,855

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2006	2005
	£	£
(Decrease)/increase in cash in the period	(286,508)	394,670
Cash outflow in respect of hire purchase	63,300	13,841
Change in net funds resulting from cash flows	(223,208)	408,511
New finance leases	(123,000)	(13,382)
Movement in net funds in the period	(346,208)	395,129
Net funds at 1 June 2005	728,152	333,023
Net funds at 31 May 2006	381,944	728,152

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jun 2005	Cash flows	Other changes	At 31 May 2006
	£	£	£	£
Net cash:				
Cash in hand and at bank	749,602	(286,508)	—	463,094
Debt:				
Hire purchase agreements	(21,450)	63,300	(123,000)	(81,150)
Net funds	728,152	(223,208)	(123,000)	381,944

D. BARNETT (BROKERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

(b) Changes in accounting policies

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

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.

This change in accounting policy has resulted in a prior year adjustment for the company. For year ended 31 May 2005, the change in accounting policy has resulted in a net increase in retained profit for the year of £122,000. The balance sheet at 31 May 2005 has been restated to reflect the de-recognition of a liability for proposed equity dividends of £122,000. For year ended 31 May 2006, the change in accounting policy has resulted in a net increase in retained profit for the year of £100,000.

Paid dividends are now treated as a distribution of reserves instead of a reduction in profit for the year. This has resulted in an increase in profit for the year ended 31 May 2005 of £10,000 and for the year ended 31 May 2006 of £80,000. There was no change to reserves carried forward.

FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'

The adoption of FRS25, presentation requirements only, has resulted in additional disclosures in the Director's report in regard to Financial Risk Management, but has had no effect on the retained profit or net assets position reported.

(c) Turnover

Turnover comprises life commissions, general business commissions and other sundry commissions which are accounted for on a cash basis.

D. BARNETT (BROKERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

1. ACCOUNTING POLICIES *(continued)*

(d) Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

(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:

Fixtures & Fittings	15%
Motor Vehicles	25%

Where an asset is disposed off after the year end, and the residual value is known at the balance sheet date, then depreciation is adjusted to reflect this.

(g) 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.

(h) 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.

(i) 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.

D. BARNETT (BROKERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

1. ACCOUNTING POLICIES *(continued)*

(j) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax is not recognised when assets are revalued unless, by the balance sheet date, the company has entered into a binding agreement to sell the assets and recognised the gains and losses expected to arise on sale or where the assets have been sold and it is expected that the taxable gain will be rolled over into a replacement asset.

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.

(k) 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 turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2006 £	2005 £
United Kingdom	<u>1,266,271</u>	<u>1,226,684</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2006 £	2005 £
Depreciation of owned fixed assets	24,893	29,761
Depreciation of assets held under hire purchase agreements	31,473	8,152
Profit on disposal of fixed assets	(7,252)	(2,824)
Auditor's remuneration		
- as auditor	10,164	9,988
- for other services	1,300	818
Operating lease costs:		
Property	30,000	30,000
Other	<u>529</u>	<u>750</u>

D. BARNETT (BROKERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2006	2005
	No	No
Number of administrative staff	<u>21</u>	<u>19</u>

The aggregate payroll costs of the above were:

	2006	2005
	£	£
Wages and salaries	597,469	637,268
Social security costs	65,383	81,198
Other pension costs	39,803	32,284
	<u>702,655</u>	<u>750,750</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2006	2005
	£	£
Emoluments receivable	308,860	391,343
Value of company pension contributions to money purchase schemes	24,773	25,745
	<u>333,633</u>	<u>417,088</u>

Emoluments of highest paid director:

	2006	2005
	£	£
Total emoluments (excluding pension contributions)	<u>147,296</u>	<u>221,389</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2006	2005
	No	No
Money purchase schemes	<u>4</u>	<u>3</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005
	£	£
Interest payable on bank borrowing	—	13
Finance charges	4,909	2,180
Other similar charges payable	—	2,754
	<u>4,909</u>	<u>4,947</u>

D. BARNETT (BROKERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	80,084	62,926
Under/(over) provision in prior year	1,696	(786)
Total current tax	<u>81,780</u>	<u>62,140</u>
Deferred tax:		
Origination and reversal of timing differences	753	(976)
Tax on profit on ordinary activities	<u>82,533</u>	<u>61,164</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 30%).

	2006 £	2005 £
Profit on ordinary activities before taxation	<u>263,194</u>	<u>196,174</u>
Theoretical tax charge at ruling corporation tax rate	78,958	58,852
Accelerated capital allowances	(1,005)	964
Disallowable expenditure	2,963	4,124
Under/(Over) provision in prior years	1,696	(786)
Marginal relief	(832)	(1,014)
Total current tax (note 7(a))	<u>81,780</u>	<u>62,140</u>

8. DIVIDENDS

Dividends on equity shares

	2006 £	2005 <i>Restated</i> £
Equity dividends paid	<u>202,000</u>	<u>10,000</u>

D. BARNETT (BROKERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

9. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Total £
COST			
At 1 June 2005	168,157	159,668	327,825
Additions	22,086	123,000	145,086
Disposals	(725)	(61,827)	(62,552)
At 31 May 2006	<u>189,518</u>	<u>220,841</u>	<u>410,359</u>
DEPRECIATION			
At 1 June 2005	66,401	95,692	162,093
Charge for the year	15,774	40,592	56,366
On disposals	(181)	(43,622)	(43,803)
At 31 May 2006	<u>81,994</u>	<u>92,662</u>	<u>174,656</u>
NET BOOK VALUE			
At 31 May 2006	<u>107,524</u>	<u>128,179</u>	<u>235,703</u>
At 31 May 2005	<u>101,756</u>	<u>63,976</u>	<u>165,732</u>

Hire purchase agreements

Included within the net book value of £235,703 is £104,893 (2005 - £28,979) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £31,473 (2005 - £8,152).

10. DEBTORS

	2006 £	2005 £
Trade debtors	559,526	730,855
Owed by related companies	18,808	1,989
Other debtors	1,124	—
Prepayments and accrued income	11,513	9,071
	<u>590,971</u>	<u>741,915</u>

11. CASH AT BANK AND IN HAND

	2006 £	2005 £
General bank accounts	113,631	339,242
Broking bank accounts	349,062	410,207
Petty cash	401	153
	<u>463,094</u>	<u>749,602</u>

D. BARNETT (BROKERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

12. CREDITORS: Amounts falling due within one year

	2006		2005 <i>Restated</i>	
	£	£	£	£
Trade creditors		896,179		1,117,062
Other creditors including taxation and social security:				
Corporation tax	80,084		27,926	
PAYE and social security	24,614		17,052	
Hire purchase agreements	36,172		12,442	
Other creditors	243		—	
		141,113		57,420
Accruals and deferred income		17,048		262,723
		<u>1,054,340</u>		<u>1,437,205</u>

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

	2006	2005
	£	£
Hire purchase agreements	<u>36,172</u>	<u>12,442</u>

For details of security held see note 13.

13. CREDITORS: Amounts falling due after more than one year

	2006	2005
	£	£
Other creditors:		
Hire purchase agreements	<u>44,978</u>	<u>9,008</u>

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

	2006	2005
	£	£
Hire purchase agreements	<u>44,978</u>	<u>9,008</u>

The hire purchase agreements are secured on the assets held under hire purchase contracts.

D. BARNETT (BROKERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2006 £	2005 £
Amounts payable within 1 year	40,265	14,745
Amounts payable between 2 to 5 years	48,833	10,288
	<u>89,098</u>	<u>25,033</u>
Less interest and finance charges relating to future periods	(7,948)	(3,583)
	<u>81,150</u>	<u>21,450</u>
Hire purchase agreements are analysed as follows:		
Current obligations	36,172	12,442
Non-current obligations	44,978	9,008
	<u>81,150</u>	<u>21,450</u>

15. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2006 £
Provision brought forward	13,346
Profit and loss account movement arising during the year	753
Provision carried forward	<u>14,099</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2006 £	2005 £
Excess of taxation allowances over depreciation on fixed assets	14,099	13,346
	<u>14,099</u>	<u>13,346</u>

16. COMMITMENTS UNDER OPERATING LEASES

At 31 May 2006 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings 2006 £	2005 £
Operating leases which expire: After more than 5 years	<u>30,000</u>	<u>30,000</u>

D. BARNETT (BROKERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2006

17. TRANSACTIONS WITH THE DIRECTORS

During the year the company paid rent for lease of premises of £30,000 to The D. Barnett (Brokers) Limited SSAS, a pension scheme in which Mr. D. Barnett and Mr. B. Jackson are both Trustees and the Beneficiaries.

18. RELATED PARTY TRANSACTIONS

The company was under the control of Mr. D. Barnett, a director throughout the current and previous year.

During the year the company entered into the following transactions with Independent Survey Services Limited.

	2006	2005
	£	£
Purchases	<u>-</u>	<u>1,100</u>

The current account balances at the year end for related party interests, are as follows:

Amounts due from/(to) related companies	2006	2005
	£	£
U.K. Facilities Plc	18,275	1,989
Independent Survey Services Limited	<u>533</u>	<u>-</u>

Movements in the accounts with related parties relate to transactions paid for and on behalf of those companies. Mr. D. Barnett and Mr. B. Jackson are materially interested in U.K. Facilities Plc and Independent Survey Services Limited as directors and shareholders.

19. SHARE CAPITAL**Authorised share capital:**

	2006	2005
	£	£
15,000 Ordinary shares of £0.10 each	<u>1,500</u>	<u>1,500</u>

Allotted, called up and fully paid:

Equity Shares	2006		2005	
	No	£	No	£
Ordinary shares of £0.10 each	<u>12,574</u>	<u>1,257</u>	<u>12,574</u>	<u>1,257</u>

D. BARNETT (BROKERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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20. PROFIT AND LOSS ACCOUNT

	2006	2005 <i>Restated</i>
	£	£
Balance brought forward	196,433	71,423
Profit for the financial year	180,661	135,010
Equity dividends paid	<u>(202,000)</u>	<u>(10,000)</u>
Balance carried forward	<u>175,094</u>	<u>196,433</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005 <i>Restated</i>
	£	£
Profit for the financial year	180,661	135,010
Equity dividends paid	<u>(202,000)</u>	<u>(10,000)</u>
Net (reduction)/addition to shareholders' funds	<u>(21,339)</u>	125,010
Opening shareholders' funds	197,690	72,680
Closing shareholders' funds	<u>176,351</u>	<u>197,690</u>

22. POST BALANCE SHEET EVENTS

On 23rd August 2006 the company paid a dividend of £100,000 out of reserves.