

**Crawford Davis Insurance Consultants
Limited**

Directors' report and financial statements

for the year to 31 December 2009

Registered Number 02953747

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Officers and professional advisers

Directors

R M Brown
M P Rea

Secretary

S T B Clark

Registered office

2 County Gate
Staceys Street
Maidstone
Kent
ME14 1ST

Auditors

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2009

Business review and principal activities

The profit and loss account for the year is set out on page 6

The principal activity of the company is insurance broking. There have not been any significant changes in the Company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The trading results for the year and the company's financial position at end of the year are shown in the attached financial statements.

The results for the company show a pre-tax profit of £326,366 for the year (prior year 2008 £236,320) and turnover of £824,639 (prior year £709,822). The company has net assets of £597,180 (31 December 2008 £272,342).

Discussion on the consolidated results of Cullum Capital Ventures Limited group of companies ("the Group"), which includes the Company, can be found in the Group's annual report which does not form part of this report.

Future outlook

The insurance market experienced rate reductions in 2009. We are starting to see rate hardening and expect this to continue for the next year. We anticipate the Company will continue to perform satisfactorily in this year.

Dividend

No final dividend was paid or proposed during the year (2008 £Nil).

Directors' report *(continued)*

Directors and directors' interests

The directors who held office during the year were as follows

R M Brown

T D Johnson (resigned 4 November 2009)

M P Rea (appointed 4 November 2009)

The interests of the directors who held office at the end of the financial period in the shares of group companies are disclosed in the financial statements of the ultimate parent company

No directors have been granted share options in the shares of the company or other group companies

Third Party Indemnity Provisions

The Company did not provide qualifying third party indemnity provisions to any of its Directors during the year. No provisions were in force at the date these accounts were approved

Political and charitable contributions

The company made charitable contributions during the current year of £Nil (prior year £Nil)

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the board



Michael Rea
Director

31 March 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditors' report to the members of Crawford Davis Insurance Consultants Limited

We have audited the financial statements of Crawford Davis Insurance Consultants for the year to 31 December 2009 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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.

NB Priestley

N B Priestley (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

8 Salisbury Square

London

EC4Y 8BB

31 March 2010

Profit and loss account
for the year to 31 December 2009

	<i>Note</i>	Year to 31 December 2009	Year to 31 December 2008
		£	£
Turnover	<i>1</i>	824,639	709,822
Administrative expenses		(498,611)	(482,232)
Operating profit	<i>2-4</i>	326,028	227,590
Other interest receivable and similar income	<i>5</i>	1,498	10,707
Interest payable and similar charges	<i>6</i>	(1,160)	(1,977)
Profit on ordinary activities before taxation	<i>2</i>	326,366	236,320
Tax on profit on ordinary activities	<i>7</i>	(1,528)	(78,652)
Profit for the financial year		324,838	157,668

Turnover and operating profit relates entirely to continuing operations

There are no recognised gains and losses in either year/period other than the profit above

The notes on pages 9 to 18 form part of these financial statements

Balance sheet
at 31 December 2009

	<i>Note</i>	At 31 December 2009	At 31 December 2008
		£	£
Fixed assets			
Intangible fixed assets	8	16,200	37,467
Tangible fixed assets	9	11,256	7 664
		<hr/>	<hr/>
		27,456	45,131
Current assets			
Debtors	10	871,251	520,178
Cash at bank and in hand	11	218,388	110,755
		<hr/>	<hr/>
		1,089,639	630,933
Creditors: amounts falling due within one year	12	(519,249)	(403,722)
		<hr/>	<hr/>
Net current assets		570,390	227,211
		<hr/>	<hr/>
Total assets less current liabilities		597,846	272,342
		<hr/>	<hr/>
Provisions for liabilities	13	(666)	-
		<hr/>	<hr/>
Net assets		597,180	272,342
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	597,080	272 242
		<hr/>	<hr/>
Shareholders' funds		597,180	272,342
		<hr/>	<hr/>

The notes on pages 9 to 18 form part of these financial statements

These financial statements were approved by the board of directors on 31 March 2010 and were signed on its behalf by



Michael Rea
Director

**Reconciliation of movements in shareholders' funds
for the year to 31 December 2009**

	Year to 31 December 2009 £	Year to 31 December 2008 £
Retained profit for the financial year	324,838	157 668
Net addition to shareholders' funds	324,838	157,668
Opening shareholders' funds	272,342	114,674
Closing shareholders' funds	597,180	272,342

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under historical cost accounting rules

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of Cullum Capital Ventures Limited the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Cullum Capital Ventures Limited within which the Company is included, can be obtained from the address given in note 18

The Company has considerable financial resources together with long term relationships with a number of customers and insurance companies As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook

The Company has a significant intercompany debtor balance due from its parent company Cullum Capital Ventures Limited ("CCV") CCV as an individual undertaking is currently loss making and has net liabilities If this amount was not recoverable the company would be left with net current liabilities The directors have considered the disclosures around going concern in the financial statements of CCV and have satisfied themselves that the funding position with CCV does not impact their assessment of going concern The directors believe they will continue to support the activities of CCV for the foreseeable future and therefore believe any balances due from CCV to be recoverable

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Accordingly they continue to adopt the going concern basis in preparing the directors report and financial statements

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised Positive goodwill is amortised to Nil by equal annual instalments over its estimated useful life This is taken as 5 years

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition Depreciation is provided so as to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as

Furniture and equipment	–	25% per annum
Computer hardware	–	25% per annum
Fixtures and fittings	–	33 3% per annum

Notes (continued)

1 Accounting policies (continued)

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The amount charged to the profit and loss represents the contributions payable to the schemes in respect of the accounting period.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all material timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents brokerage and fees for services provided. Brokerage is recognised on the inception or renewal of a risk, with an element of brokerage deferred to match any significant post placement obligations. Profit or volume based commission, which is received periodically, is recognised when the amount can be measured with reasonable certainty, which is typically the earlier of confirmation of the amount with the relevant provider or receipt of cash.

Turnover consists entirely of sales made in the United Kingdom.

2 Profit on ordinary activities before taxation

	Year to 31 December 2009 £	Year to 31 December 2008 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and other amounts written off tangible fixed assets		
Owned	3,689	4,230
Amortisation of goodwill	21,267	42,600
Rentals under operating leases	14,000	14,000
	<u> </u>	<u> </u>
Auditors' remuneration		
	£	£
Audit of these financial statements	8,294	10,868
Amounts receivable by the auditors and their associates in respect of Other services pursuant to such legislation	2,910	3,623
	<u> </u>	<u> </u>

Notes (continued)

3 Remuneration of directors

	Year to 31 December 2009	Year to 31 December 2008
Total remuneration of all directors	£	£
Directors' emoluments	-	3,695
Company contributions to money purchase pension schemes	-	-
	<u> </u>	<u> </u>

The emoluments of Messrs Johnson, Brown and Rea are paid by Cullum Capital Ventures Limited, which makes no recharge to the company. All are directors of the ultimate parent company and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Their total emoluments are included in the financial statements of the ultimate parent company.

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Year to 31 December 2009	Year to 31 December 2008
	Number of employees	
Broking	8	9
Management	1	1
Finance / Administration	2	2
	<u> </u>	<u> </u>
	11	12
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	270,655	279,892
Social security costs	28,163	27,623
Other pension costs	8,912	8,454
	<u> </u>	<u> </u>
	307,730	315,969
	<u> </u>	<u> </u>

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £8,912 (prior year £8,454).

Contributions amounting to £232 (prior year £413) were payable to the scheme and are included in creditors.

Notes (continued)

5 Other interest receivable and similar income

	Year to 31 December 2009 £	Year to 31 December 2008 £
Bank interest	1,498	10,707

6 Interest payable and similar charges

	Year to 31 December 2009 £	Year to 31 December 2008 £
On bank loans and overdrafts	1,160	1,977

Notes (continued)

7 Tax on profit on ordinary activities

	Year to 31 December 2009	Year to 31 December 2008
	£	£
<i>UK corporation tax</i>		
Current tax on income for the period	-	80,005
	-	80,005
Total current tax	-	80,005
<i>Deferred tax (see note 13)</i>		
Origination/reversal of timing differences	717	(395)
Effect of decreased tax rate	15	24
Accelerated capital allowances	796	(982)
Total deferred tax	1,528	(1,353)
Tax on profit on ordinary activities	1,528	78,652

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (*prior year higher*) than the standard rate of corporation tax in the UK 28%, (*prior period 28.5%*). The differences are explained below

	Year to 31 December 2009	Year to 31 December 2008
	£	£
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	326,366	236,320
Current tax at 28% (<i>prior period 28.5%</i>)	91,382	67,351
<i>Effects of</i>		
Expenses not deductible for tax purposes	98	118
Amortisation not deductible for tax purposes	5,955	12,141
Depreciation in excess of capital allowances	(225)	395
Group relief	(97,210)	-
UK corporation tax charge on profit on ordinary activities for the year	-	80,005

Factors affecting future tax charges

Future tax charges will be affected by the degree to which amortisation of goodwill is not allowable for tax purposes and entertaining is disallowed

Notes (continued)

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2009	379,450
At 31 December 2009	379,450
Amortisation	
At 31 December 2008	341,983
Charge for year	21,267
At 31 December 2009	363,250
Net book value	
At 31 December 2009	16,200
At 31 December 2008	37,467

All goodwill arising on acquisition is amortised over a 5 year period

Intangible fixed assets include amounts with an original cost of £316,450 (2008 £186,450) that have been fully amortised

9 Tangible fixed assets

	Furniture & equipment £	Computer hardware £	Fixtures & fittings £	Total £
Cost				
At 1 January 2009	15,655	29,348	-	45,003
Additions	538	1,182	5,561	7,281
At 31 December 2009	16,193	30,530	5,561	52,284
Depreciation				
At 31 December 2008	11,846	25,493	-	37,339
Charge for year	1,334	1,849	506	3,689
At 31 December 2009	13,180	27,342	506	41,028
Net book value				
At 31 December 2009	3,013	3,188	5,055	11,256
At 31 December 2008	3,809	3,855	-	7,664

Notes (continued)

10 Debtors

	31 December 2009	31 December 2008
	£	£
Insurance debtors	258,145	150,906
Amounts due from group undertakings	600,514	357,421
Prepayments and accrued income	12,592	10,989
Deferred tax asset (see note 13)	-	862
	<hr/>	<hr/>
	871,251	520,178
	<hr/>	<hr/>

11 Cash at bank and in hand

Cash at bank includes £16,193 (2008 £89,801) which constitutes client money and is not available to pay the general debts of the company

12 Creditors: amounts falling due within one year

	31 December 2009	31 December 2008
	£	£
Bank loans and overdrafts	3,390	17,996
Insurance creditors	315,856	216,354
Corporation tax	92,299	128,883
Other taxation and social security	9,756	5,818
Accruals and deferred income	97,948	34,671
	<hr/>	<hr/>
	519,249	403,722
	<hr/>	<hr/>

Notes (continued)

13 Provisions for liabilities

	Deferred Taxation £
At beginning of year	(862)
Charge / (credit) to profit and loss account for the year	1,528
As at 31 December 2009	666

The deferred tax provision / (asset) relates to the timing differences between accumulated depreciation, amortisation and capital allowances

14 Called up share capital

	31 December 2009 £	31 December 2008 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

15 Reserves

	Profit and loss Account £
At the beginning of the year	272,242
Retained profit for the year	324,838
At 31 December 2009	597,080

Notes (continued)

16 Contingent assets and liabilities

A guarantee and debenture have been granted over the shares and the assets of the Company in favour of the Lloyds Banking Group (previously Bank of Scotland Plc), under the terms of which all monies due or which may become due from the Company, or other group companies listed below, to the Lloyds Banking Group, are guaranteed. The amount due by group companies at 31 December 2009 was £58,482,565 (2008 £56,972,994). Further details of the aggregate liabilities due by group companies to the Lloyds Banking Group are set out in the financial statements of the parent company. The group companies involved include principally

Cullum Capital Ventures Limited
CCV Risk Solutions Limited
Roundcroft Limited
Richard V Wallis & Company Limited
Moffatt & Company Limited
Fenton Insurance Solutions Limited
Milburn Insurance Services Limited
Arthur Marsh & Son Limited
Knowmaster Limited
Oyster Property Insurance Specialists Limited
Dawson Pennington & Company Limited
Berkeley Alexander Limited
Protectagroup Holdings Limited
Protectagroup Acquisitions Limited
Hodge Insurance Brokers Limited
Protectagroup Limited
Protectagroup Club Card Limited
Four Counties Finance Limited
Four Counties Insurance Brokers Limited
Cox Lee & Company Limited
Chorlton Cloughley Group Limited
CCG Financial Services Limited
Protectagroup (CIB) Limited (formerly Culver Insurance Brokers Limited)
Crawford Davis Insurance Consultants Limited
Portishead Insurance Brokers Limited
Topcrest Insurance Brokers Limited
HLI (UK) Limited
Rhodepark Limited
Brian Potter & Associates Limited
Ainsbury (Insurance Brokers) Limited
Walter Ainsbury & Son Limited
Just Insurance Brokers Limited

Notes (continued)

17 Commitments

Annual commitments under non-cancellable operating leases are as follows

	31 December 2009	31 December 2008
	Land and buildings £	Land and buildings £
Operating leases which expire		
Within one year	-	-
In the second to fifth years inclusive	14,000	14,000
Over five years	-	-
	<hr/>	<hr/>
	14,000	14,000
	<hr/> <hr/>	<hr/> <hr/>

18 Parent undertaking

The Company is a subsidiary undertaking of Cullum Capital Ventures Limited which is the ultimate parent company. The Company is exempt by virtue of s400/s401/402/ of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The largest group in which the results of the Company are consolidated is that headed by Cullum Capital Ventures Limited. No other group financial statements include the results of the Company. These financial statements provide information about the Company as an individual undertaking and not about its group.

The consolidated financial statements of the group are available to the public and may be obtained from

2 County Gate
 Staceys Street
 Maidstone
 Kent
 ME14 1ST

19 Related party disclosures

The Company is controlled by Cullum Capital Ventures Limited. The ultimate controlling party is Mr P G Cullum, the chairman, by virtue of his controlling interest in the ultimate parent company's equity capital.

The Company conducted business, on an arms length basis, with Towergate Underwriting Group Limited, a company in which Mr P G Cullum currently has a significant interest. The total of commission receivable from Towergate Underwriting Group was £331,570 (2008 £24,958) and non insurance related receipts were £Nil. Insurance creditors payable at the year end were £67,699 (2008 £36,389).