

# Financial Statements

## MYI Limited

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**For the year ended 31 March 2012**



**Registered number: 02561541**

## Company Information

|                          |   |
|--------------------------|---|
| <b>Directors</b>         | M C D Barnes<br>C Stafford<br>V Chalfant<br>G Brown<br>G Gabriel<br>H Faarup<br>K Shwartz<br>S Chick<br>T M Skelton |
| <b>Company secretary</b> | G Gabriel   |
| <b>Company number</b>    | 02561541  |
| <b>Registered office</b> | 20-22 Bedford Row<br>London<br>WC1R 4JS   |
| <b>Auditor</b>           | Grant Thornton UK LLP<br>Chartered Accountants & Statutory Auditor<br>1-4 Atholl Crescent<br>Edinburgh<br>EH3 8LQ   |

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# Directors' Report

For the year ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012

## **Directors' responsibilities statement**

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 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 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.

## **Principal activities**

The principal activity of the company is the profession of an international loss adjuster.

## **Business review**

On 28 March 2012 MYI Acquiror Limited purchased the entire share capital of Airclaims Group Limited for consideration of £12,000. Following this transaction and on the same date, MYI Limited purchased 100% of the share capital of Airclaims Limited, from Airclaims Group Limited for consideration of £52,191. On 31 March 2012, Airclaims Limited declared a dividend of £6,107,788 payable to its new parent company and agreed to satisfy the dividend by the transfer at book value of its assets and liabilities.

The directors expect to continue the focus on developing the network both inside and outside of the UK in the forthcoming years as market opportunities arise. The company continues to deliver on its strategic plan of expansion.

The company measures internal performance in terms of operating margin with a target of greater than 10%. Individual loss adjuster's performance is measured on booked and billed hours, the hourly rate achieved as well as response time to client requirements.

The company closely monitors debtor days as a key performance indicator. As at 31 March 2012 trade debtors amounted to £6,435,278 (2011: £2,123,530). Turnover for the year was £7,703,455 (2011: £5,579,232). Debtor days increased to 305 days at 31 March 2012 (2011: 139 days). This increase includes the effect of the hive up of Airclaims Limited into MYI Limited on 31 March 2012. Comparable debtor days (excluding Airclaims Limited trade debtors (£3,451,857)) have increased to 141 days and this is largely reflective of work performed by UK adjusters on claims related to the floods in Thailand during the year. The directors continue to target to obtain debtor days of less than 100 days.

# Directors' Report

For the year ended 31 March 2012

## Results

The profit for the year, after taxation, amounted to £6,456,399 (2011 - £690,807)

## Directors

The directors who served during the year were

M C D Barnes (resigned 13 August 2012)  
C Stafford (resigned 13 August 2012)  
V Chalfant  
G Brown  
G Gabriel  
H Faarup (resigned 13 August 2012)  
K Schwartz (resigned 30 November 2011)  
S Chuck (resigned 13 August 2012)  
T M Skelton (appointed 19 March 2012)

## Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

## Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 9 October 2012 and signed on its behalf



G Gabriel  
Director

## Independent Auditor's Report to the Members of MYI Limited

We have audited the financial statements of MYI Limited for the year ended 31 March 2012, which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 auditor**

As explained more fully in the Directors' responsibilities statement, 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 and express an opinion on 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 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 Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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.



## Independent Auditor's Report to the Members of MYI Limited

### **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

*Grant Thornton UK LLP*

Diana Penny (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Edinburgh

9 October 2012

# Profit and Loss Account

For the year ended 31 March 2012

|  | Note | 2012<br>£               | 2011<br>£             |
|--|------|-------------------------|-----------------------|
| <b>Turnover</b>                                      | 1,2  | <b>7,703,455</b>        | 5,579,232             |
| Cost of sales  |      | <u>(4,719,687)</u>      | <u>(2,686,418)</u>    |
| <b>Gross profit</b>                                  |      | <b>2,983,768</b>        | 2,892,814             |
| Administrative expenses                              |      | (2,630,945)             | (2,545,263)           |
| Other operating income                               | 3    | -                       | 134,572               |
| Other operating charges                              |      | <u>(30,603)</u>         | <u>-</u>              |
| <b>Operating profit</b>                              | 4    | <b>322,220</b>          | 482,123               |
| <b>Exceptional items</b>                             |      |                         |                       |
| Net profit on sale of subsidiaries                   | 7    | <u>-</u>                | <u>292,205</u>        |
| <b>Profit on ordinary activities before interest</b> |      | <b>322,220</b>          | 774,328               |
| Income from shares in group undertakings             |      | 6,107,788               | -                     |
| Interest receivable and similar income               |      | 1,999                   | -                     |
| Interest payable and similar charges                 | 6    | <u>(96,471)</u>         | <u>(75,816)</u>       |
| <b>Profit on ordinary activities before taxation</b> |      | <b>6,335,536</b>        | 698,512               |
| Tax on profit on ordinary activities                 | 8    | <u>120,863</u>          | <u>(7,705)</u>        |
| <b>Profit for the financial year</b>                 | 16   | <b><u>6,456,399</u></b> | <b><u>690,807</u></b> |

All amounts relate to continuing operations

The notes on pages 8 to 20 form part of these financial statements



# Statement of Total Recognised Gains and Losses

For the year ended 31 March 2012

|   | 2012             | 2011           |
|---|------------------|----------------|
|   | £                | £              |
| Profit for the financial year                                 | 6,456,399        | 690,807        |
| Other movements in profit and loss reserve                    | (130)            | 280            |
| <b>Total recognised gains and losses relating to the year</b> | <b>6,456,269</b> | <b>691,087</b> |


The notes on pages 8 to 20 form part of these financial statements

# Balance Sheet

As at 31 March 2012

|   | Note | £                 | 2012<br>£               | £                | 2011<br>£               |
|---|------|-------------------|-------------------------|------------------|-------------------------|
| <b>Fixed assets</b>                                   |      |                   |                         |                  |                         |
| Tangible assets                                       | 9    |                   | 352,383                 |                  | 148,976                 |
| Investments   | 10   |                   | 76,728                  |                  | 24,537                  |
|   |      |                   | <u>429,111</u>          |                  | <u>173,513</u>          |
| <b>Current assets</b>                                 |      |                   |                         |                  |                         |
| Stocks  | 11   | 4,351,631         |                         | 2,079,964        |                         |
| Debtors   | 12   | 8,716,274         |                         | 3,954,867        |                         |
| Cash at bank and in hand                              |      | 2,844,520         |                         | 912,107          |                         |
|   |      | <u>15,912,425</u> |                         | <u>6,946,938</u> |                         |
| <b>Creditors: amounts falling due within one year</b> | 13   | (8,200,157)       |                         | (5,435,341)      |                         |
| <b>Net current assets</b>                             |      |                   | <u>7,712,268</u>        |                  | <u>1,511,597</u>        |
| <b>Total assets less current liabilities</b>          |      |                   | <u>8,141,379</u>        |                  | <u>1,685,110</u>        |
| Defined benefit pension scheme liability              | 19   |                   | (133,703)               |                  | (133,703)               |
| <b>Net assets including pension scheme assets</b>     |      |                   | <u><u>8,007,676</u></u> |                  | <u><u>1,551,407</u></u> |
| <b>Capital and reserves</b>                           |      |                   |                         |                  |                         |
| Called up share capital                               | 15   |                   | 1,750,192               |                  | 1,750,192               |
| Share premium account                                 | 16   |                   | 273,933                 |                  | 273,933                 |
| Profit and loss account                               | 16   |                   | 5,983,551               |                  | (472,718)               |
| <b>Shareholders' funds</b>                            | 17   |                   | <u><u>8,007,676</u></u> |                  | <u><u>1,551,407</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 October 2012



**G Gabriel**  
Director

The notes on pages 8 to 20 form part of these financial statements

# Notes to the Financial Statements

For the year ended 31 March 2012

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The financial statements have been prepared on the going concern basis, which assumes that the company will have sufficient working capital facilities to enable it to continue in business for the foreseeable future. In reaching this conclusion the directors have considered working capital ratios and the current claims pipeline.

### 1.2 Cashflow statement

The company has taken advantage of the exemption in FRS 1 (Revised) "Cash Flow Statements" from including a cash flow statement in the financial statements on the grounds that 90% of the voting rights are controlled within the group and its cash flows are included within the consolidated financial statements of the ultimate parent company.

### 1.3 Turnover

Turnover represents the amounts (excluding value added tax and including expenses and disbursements) derived from the provision of claims processing services to customers and is recognised on completion of that service.

Where a service is ongoing at the year end, revenue is recognised based on time incurred at the balance sheet date at anticipated billable amounts. This is net of provisions made of the estimated proportion considered to be irrecoverable.

### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                           |   |                            |
|---------------------------|---|----------------------------|
| L/Term Leasehold Property | - | 2.5% - 37.5% straight line |
| Motor vehicles            | - | 20% straight line          |
| Fixtures & fittings       | - | 20% - 33% straight line    |
| Equipment                 | - | 20% - 33% straight line    |
| Computer equipment        | - | 20% - 33% straight line    |

### 1.5 Investments

Investments are included at costs less amounts written off.

# Notes to the Financial Statements

For the year ended 31 March 2012

## 1. Accounting Policies (continued)

### 1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

### 1.7 Work in progress

Work in progress consists of expenses incurred on projects not completed at the balance sheet date, together with an estimated proportion of salary and overhead expenses relating to such projects. The work in progress is stated at net realisable value less an adjustment for management's assessment of recoverability

### 1 1.8 Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date

### 1.9 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

# Notes to the Financial Statements

For the year ended 31 March 2012

## 1. Accounting Policies (continued)

### 1.10 Pensions

The company operates a defined benefit pension scheme for certain employees of the Taiwan branch through MYI Limited. The assets of the scheme are held separately from those of the company. The scheme closed in 2005, however a defined benefit obligation continues to be accrued.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using the discount rate at the time the scheme closed of 3%.

Pension scheme assets are valued at market value at the balance sheet date.

The pension scheme deficit is recognised in full on the balance sheet.

The deferred tax relating to a defined liability is offset against the defined liability and not included with other deferred tax liabilities.

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to the profit and loss account. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumption and the resultant gain or loss is recognised in the profit and loss account during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount in the profit and loss account within other finance costs or income. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities.

### 1.11 Taxation

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantially enacted at the balance sheet date. Current tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of recognised gains and losses.

# Notes to the Financial Statements

For the year ended 31 March 2012

## 2. Turnover

An analysis of the turnover by geographical location for the company is as follows

|                | 2012             | 2011             |
|----------------|------------------|------------------|
|                | £                | £                |
| United Kingdom | 6,934,505        | 5,050,500        |
| Asia           | 768,950          | 528,732          |
|                | <u>7,703,455</u> | <u>5,579,232</u> |

## 3. Other operating income

|                                    | 2012     | 2011           |
|------------------------------------|----------|----------------|
|                                    | £        | £              |
| Foreign exchange difference - gain | -        | 134,572        |
|                                    | <u>-</u> | <u>134,572</u> |

## 4. Operating profit

The operating profit is stated after charging/(crediting)

|                                       | 2012          | 2011             |
|---------------------------------------|---------------|------------------|
|                                       | £             | £                |
| Depreciation of tangible fixed assets |               |                  |
| - owned by the company                | 42,547        | 38,559           |
| Auditor's remuneration                | 25,000        | 21,000           |
| Operating lease rentals               |               |                  |
| - plant and machinery                 | 5,284         | 4,911            |
| Difference on foreign exchange        | 30,603        | (134,572)        |
|                                       | <u>30,603</u> | <u>(134,572)</u> |

During the year, no director received any emoluments (2011 - £NIL)

# Notes to the Financial Statements

For the year ended 31 March 2012

## 5. Staff costs

Staff costs were as follows

|                               | 2012             | 2011             |
|-------------------------------|------------------|------------------|
|                               | £                | £                |
| Wages and salaries            | 3,665,564        | 3,163,263        |
| Social security costs         | 340,097          | 336,451          |
| Other pension costs (Note 19) | 260,682          | 235,562          |
|                               | <u>4,266,343</u> | <u>3,735,276</u> |

The average monthly number of employees, including the directors, during the year was as follows

|                      | 2012      | 2011      |
|----------------------|-----------|-----------|
|                      | No.       | No        |
| Adjuster Staff       | 41        | 35        |
| Administrative Staff | 18        | 17        |
|                      | <u>59</u> | <u>52</u> |

## 6. Interest payable

|                              | 2012          | 2011          |
|------------------------------|---------------|---------------|
|                              | £             | £             |
| On bank loans and overdrafts | <u>96,471</u> | <u>75,816</u> |

## 7. Exceptional Items

|  | 2012     | 2011           |
|--|----------|----------------|
|  | £        | £              |
| Profit on sale of subsidiary - New Zealand | <u>-</u> | <u>292,205</u> |

# Notes to the Financial Statements

For the year ended 31 March 2012

## 8. Taxation

|   | 2012<br>£        | 2011<br>£    |
|---|------------------|--------------|
| <b>Analysis of tax charge/(credit) in the year</b>  |                  |              |
| <b>Current tax</b> (see note below)                 |                  |              |
| UK corporation tax charge on profit for the year    | -                | 797          |
|   | <hr/>            | <hr/>        |
|   | -                | 797          |
| Foreign tax adjustments in respect of prior periods | -                | (12,857)     |
|   | <hr/>            | <hr/>        |
| <b>Total current tax</b>                            | -                | (12,060)     |
|   | <hr/>            | <hr/>        |
| <b>Deferred tax</b> (see note 14)                   |                  |              |
| Origination and reversal of timing differences      | (120,863)        | 19,765       |
|   | <hr/>            | <hr/>        |
| <b>Tax on profit on ordinary activities</b>         | <u>(120,863)</u> | <u>7,705</u> |

### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2011 - the same as) the standard rate of corporation tax in the UK of 26% (2011 - 28%) as set out below

|  | 2012<br>£        | 2011<br>£       |
|--|------------------|-----------------|
| Profit on ordinary activities before tax   | <u>6,335,536</u> | <u>698,512</u>  |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%) | 1,647,239        | 195,583         |
| <b>Effects of:</b>   |                  |                 |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                  | (206,002)        | 44,915          |
| Capital allowances for year in excess of depreciation  | 7,289            | 2,670           |
| Other timing differences leading to an increase/ (decrease) in taxation                                    | (636)            | (37,623)        |
| Income not subject to tax  | (1,588,025)      | (154,325)       |
| Unrelieved tax losses  | 140,135          | (50,158)        |
| Rate differences   | -                | (265)           |
| Foreign tax  | -                | (12,857)        |
|  | <hr/>            | <hr/>           |
| <b>Current tax charge/(credit) for the year</b> (see note above)   | <u>-</u>         | <u>(12,060)</u> |



## Notes to the Financial Statements

For the year ended 31 March 2012

## 9. Tangible fixed assets

|                       | L/Term<br>Leasehold<br>Property<br>£ | Motor<br>vehicles<br>£ | Fixtures &<br>fittings<br>£ | Office<br>equipment<br>£ |
|-----------------------|--------------------------------------|------------------------|-----------------------------|--------------------------|
| <b>Cost</b>           |                                      |                        |                             |                          |
| At 1 April 2011       | 53,827                               | 34,238                 | 21,142                      | 134,267                  |
| Additions             | -                                    | -                      | 844                         | -                        |
| Transfers intra group | 21,262                               | -                      | 75,929                      | 291,650                  |
| Disposals             | -                                    | -                      | -                           | (40,471)                 |
| At 31 March 2012      | 75,089                               | 34,238                 | 97,915                      | 385,446                  |
| <b>Depreciation</b>   |                                      |                        |                             |                          |
| At 1 April 2011       | 6,414                                | 27,794                 | 2,904                       | 114,159                  |
| Charge for the year   | 10,631                               | 1,356                  | 4,692                       | 6                        |
| Transfers intra group | 9,327                                | -                      | 37,774                      | 231,383                  |
| On disposals          | -                                    | -                      | -                           | (40,471)                 |
| At 31 March 2012      | 26,372                               | 29,150                 | 45,370                      | 305,077                  |
| <b>Net book value</b> |                                      |                        |                             |                          |
| At 31 March 2012      | 48,717                               | 5,088                  | 52,545                      | 80,369                   |
| At 31 March 2011      | 47,413                               | 6,444                  | 18,238                      | 20,108                   |

|                       | Computer<br>equipment<br>£ | Total<br>£ |
|-----------------------|----------------------------|------------|
| <b>Cost</b>           |                            |            |
| At 1 April 2011       | 129,410                    | 372,884    |
| Additions             | 41,052                     | 41,896     |
| Transfers intra group | 155,659                    | 544,500    |
| Disposals             | -                          | (40,471)   |
| At 31 March 2012      | 326,121                    | 918,809    |
| <b>Depreciation</b>   |                            |            |
| At 1 April 2011       | 72,637                     | 223,908    |
| Charge for the year   | 25,862                     | 42,547     |
| Transfers intra group | 61,958                     | 340,442    |
| On disposals          | -                          | (40,471)   |
| At 31 March 2012      | 160,457                    | 566,426    |
| <b>Net book value</b> |                            |            |
| At 31 March 2012      | 165,664                    | 352,383    |
| At 31 March 2011      | 56,773                     | 148,976    |

# Notes to the Financial Statements

For the year ended 31 March 2012

## 10. Fixed asset investments

|                          | Trade<br>investments<br>£ |
|--------------------------|---------------------------|
| <b>Cost or valuation</b> |                           |
| At 1 April 2011          | 24,537                    |
| Additions                | 52,191                    |
| At 31 March 2012         | <u>76,728</u>             |
| <b>Net book value</b>    |                           |
| At 31 March 2012         | <u>76,728</u>             |
| At 31 March 2011         | <u>24,537</u>             |

### Subsidiary undertakings

As at 31 March 2012 the company held more than 20% of the allotted share capital of the following companies

| Name  | Class of shares | Holding |
|---|-----------------|---------|
| McLarens Holdings Pty Limited                   | Ordinary        | 100%    |
| McLarens Toplis Caribbean Limited               | Ordinary        | 75%     |
| McLarens Young Latin America SA                 | Ordinary        | 100%    |
| McLarens Young Columbia SA                      | Ordinary        | 99%     |
| McLarens Young Argentina SA                     | Ordinary        | 57%     |
| McLarens Young Venezuela SA                     | Ordinary        | 56%     |
| McLarens Young Mexico SA                        | Ordinary        | 98%     |
| McLarens Young France SAS                       | Ordinary        | 100%    |
| McLarens Young Belgium SA                       | Ordinary        | 100%    |
| McLarens Young International (Jamaica) Limited  | Ordinary        | 100%    |
| McLarens Young International (Trinidad) Limited | Ordinary        | 67.5%   |
| McLarens Young Chile Limited                    | Ordinary        | 40%     |
| McLarens Young Espana, S L U                    | Ordinary        | 100%    |
| Airclaims Limited                               | Ordinary        | 100%    |
| McLarens Korea Limited                          | Ordinary        | 50%     |

# Notes to the Financial Statements

For the year ended 31 March 2012

## 10. Fixed asset investments (continued)

| Name  | Country of Registration |
|---|-------------------------|
| McLarens Holdings Pty Limited                   | Australia               |
| McLarens Toplis Caribbean Limited               | Barbados                |
| McLarens Young Latin America SA                 | Panama                  |
| McLarens Young Columbia SA                      | Colombia                |
| McLarens Young Argentina SA                     | Argentina               |
| McLarens Young Venezuela SA                     | Venezuela               |
| McLarens Young Mexico SA                        | Mexico                  |
| McLarens Young France SAS                       | France                  |
| McLarens Young Belgium SA                       | Belgium                 |
| McLarens Young International (Jamaica) Limited  | Jamaica                 |
| McLarens Young International (Trinidad) Limited | Trinidad                |
| McLarens Young Chile Limited                    | Chile                   |
| McLarens Young Espana, S L U                    | Spain                   |

On the 28 March 2012 the company purchased 100% of the share capital of Airclaims Limited

## 11. Stocks

|                  | 2012      | 2011      |
|------------------|-----------|-----------|
|                  | £         | £         |
| Work in progress | 4,351,631 | 2,079,964 |

## 12. Debtors

|                                    | 2012      | 2011      |
|------------------------------------|-----------|-----------|
|                                    | £         | £         |
| Trade debtors                      | 6,435,278 | 2,123,530 |
| Amounts owed by group undertakings | 1,606,936 | 1,614,144 |
| Other debtors                      | 150,253   | 49,468    |
| Prepayments and accrued income     | 266,650   | 31,431    |
| Deferred tax asset (see note 14)   | 257,157   | 136,294   |
|                                    | 8,716,274 | 3,954,867 |

# Notes to the Financial Statements

For the year ended 31 March 2012

## 13. Creditors:

### Amounts falling due within one year

|                                    | 2012             | 2011             |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Trade creditors                    | 1,218,904        | 1,498,645        |
| Amounts owed to group undertakings | 3,657,172        | 3,272,445        |
| Corporation tax                    | -                | 797              |
| Social security and other taxes    | 598,500          | 229,301          |
| Other creditors                    | 1,374,120        | -                |
| Accruals and deferred income       | 1,351,461        | 434,153          |
|                                    | <u>8,200,157</u> | <u>5,435,341</u> |

## 14. Deferred tax asset

|                                    | 2012           | 2011           |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| At beginning of year               | 136,294        | 156,958        |
| Released during/(charged for) year | 120,863        | (20,664)       |
| At end of year                     | <u>257,157</u> | <u>136,294</u> |

The deferred tax asset is made up as follows

|                                | 2012           | 2011           |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Accelerated capital allowances | <u>257,157</u> | <u>136,294</u> |

## 15. Share capital

|  | 2012             | 2011             |
|--|------------------|------------------|
|  | £                | £                |
| Allotted, called up and fully paid             |                  |                  |
| 7,000,768 Ordinary shares shares of £0.25 each | <u>1,750,192</u> | <u>1,750,192</u> |

# Notes to the Financial Statements

For the year ended 31 March 2012

## 16. Reserves

|                                | Share<br>premium<br>account<br>£ | Profit and<br>loss account<br>£ |
|--------------------------------|----------------------------------|---------------------------------|
| At 1 April 2011                | 273,933                          | (472,718)                       |
| Profit for the year            |                                  | 6,456,399                       |
| Foreign Currency Retranslation |                                  | (130)                           |
| At 31 March 2012               | <u>273,933</u>                   | <u>5,983,551</u>                |

## 17. Reconciliation of movement in shareholders' funds

|   | 2012<br>£        | 2011<br>£        |
|---|------------------|------------------|
| Opening shareholders' funds                       | 1,551,407        | 1,118,847        |
| Profit for the year                               | 6,456,399        | 690,807          |
| Dividends (Note 18)                               | -                | (258,527)        |
| Other recognised gains and losses during the year | (130)            | 280              |
| Closing shareholders' funds                       | <u>8,007,676</u> | <u>1,551,407</u> |

## 18. Dividends

|                                  | 2012<br>£ | 2011<br>£      |
|----------------------------------|-----------|----------------|
| Dividends paid on equity capital | <u>-</u>  | <u>258,527</u> |

## 19. Pension commitments

MYI Limited operated a funded defined benefit pension scheme for an eligible employee providing benefits based on the final pensionable pay which closed in 2005. Under the employee retirement plan, the employee is entitled to retirement benefits on reaching retirement age of 60. No other post retirement benefits are provided. The scheme is a funded scheme.

The latest actuarial valuation was carried out at 31 March 2011. No further update has been obtained as the directors have assessed that the latest update provides a fair reflection of the scheme assets and liabilities at 31 March 2012.

Other material actuarial assumptions were as follows. Inflation assumptions were assumed to be 0.25% in 2012 (2011: 0.25%). In relation to mortality assumptions, life expectancy is assumed to be 87 for a man who has reached pensionable age and 90 for a woman. For scheme members who have not reached pensionable age, the rates are adjusted to reflect changes in mortality rates that are expected to arise over the period to pensionable age.

# Notes to the Financial Statements

For the year ended 31 March 2012

## 19. Pension commitments (continued)

The fair value of plan assets consists of 100% of bonds

The amounts recognised in the Balance sheet are as follows

|                                     | 2012<br>£        | 2011<br>£        |
|-------------------------------------|------------------|------------------|
| Present value of funded obligations | (357,783)        | (357,783)        |
| Fair value of scheme assets         | 224,080          | 224,080          |
| Net pension liability               | <u>(133,703)</u> | <u>(133,703)</u> |

Changes in the present value of the defined benefit obligation are as follows

|                                    | 2012<br>£      | 2011<br>£      |
|------------------------------------|----------------|----------------|
| Opening defined benefit obligation | 357,783        | 327,508        |
| Actuarial (gain) / loss            | -              | (1,122)        |
| Exchange differences               | -              | 4,886          |
| Current service cost               | -              | 18,380         |
| Interest on scheme liabilities     | -              | 8,131          |
| Closing defined benefit obligation | <u>357,783</u> | <u>357,783</u> |

Changes in the fair value of scheme assets are as follows

|                                     | 2012<br>£      | 2011<br>£      |
|-------------------------------------|----------------|----------------|
| Opening fair value of scheme assets | 224,080        | 241,944        |
| Exchange differences                | -              | (25,339)       |
| Actuarial gain                      | -              | 1,122          |
| Contributions by employer           | -              | 6,353          |
|                                     | <u>224,080</u> | <u>224,080</u> |

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

|  | 2012   | 2011   |
|--|--------|--------|
| Discount rate at 31 March                    | 2.30 % | 2.30 % |
| Expected return on scheme assets at 31 March | 2.30 % | 2.30 % |
| Future salary increases                      | 4.00 % | 4.00 % |
| Inflation                                    | 0.25 % | 0.25 % |

# Notes to the Financial Statements

For the year ended 31 March 2012

## 19. Pension commitments (continued)

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

|                            | 2012<br>£        | 2011<br>£        | 2010<br>£       | 2009<br>£       | 2008<br>£       |
|----------------------------|------------------|------------------|-----------------|-----------------|-----------------|
| Defined benefit obligation | (357,783)        | (357,783)        | (327,508)       | (193,833)       | (184,469)       |
| Scheme assets              | 224,080          | 224,080          | 241,944         | 137,311         | 127,881         |
| Deficit                    | <u>(133,703)</u> | <u>(133,703)</u> | <u>(85,564)</u> | <u>(56,522)</u> | <u>(56,588)</u> |

## 20. Commitments under operating leases

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

|                         | 2012<br>£     | 2011<br>£     |
|-------------------------|---------------|---------------|
| Expiry date:            |               |               |
| Within 1 year           | 7,083         | 7,083         |
| Between 2 and 5 years   | 41,850        | -             |
| After more than 5 years | -             | 41,850        |
|                         | <u>48,933</u> | <u>48,933</u> |

## 21. Related party transactions

Related party transactions with other group undertakings are excluded from the consolidated financial statements of the ultimate parent undertaking, McLaren's Young International Limited, and are therefore exempt from disclosure in these financial statements. The related party transactions are not disclosed as the exemption under FRS 8 'Related party disclosures' is invoked.

## 22. Ultimate parent undertaking and controlling party

The ultimate parent and controlling party at the year end is McLaren's Young International Limited, a company registered in England.