

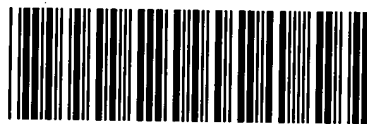
Abraxas Insurance Administration Services Limited
Registered No: 02928787

Abraxas Insurance Administration Services Limited

Report and Financial Statements

For the year ended 31 December 2014

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COMPANIES HOUSE

Directors

Nikolaos Antimissaris	(Resigned 20 January 2015)
Rafael Senen Garcia	
Nigel Howard-Jones	
Javier San Basilio	
Jair Marrugo	
Fernando Gomez Guerrero	(Resigned 30 May 2014)
Pablo Alvert Sanz	
Asunción Carrasco Reija	(Appointed 27 January 2015)
Sergio Rivera Jimenez	(Appointed 27 January 2015)

Secretary

Quayseco Limited
One Glass Wharf
Bristol
BS2 0ZX

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

The Royal Bank of Scotland
Bristol Clifton Branch
50-52a Whiteladies Road
Clifton
Bristol
BS8 2NH

Registered Office

One Glass Wharf
Bristol
BS2 0ZX

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Strategic report

Principal activities and review of the business

The principal activity of Abraxas Insurance Administration Services Limited (the Company) during the year was that of the sale of motor insurance products. The Company acts as a Third Party Administrator of Insurance (TPA) primarily for Mapfre Asistencia Compañía Internacional De Seguros y Reaseguros (Mapfre Asistencia S.A.).

The products distributed are GAP insurance, Finance GAP insurance, Contract Hire GAP insurance, Total Loss GAP insurance, vehicle warranty insurance, MOT insurance, tyre insurance, mishap insurance, and Income Protection insurance.

Acting as a TPA, the Company collects premiums from clients and customers and handles claims on behalf of the insurance company under delegated authority.

The principal business indicator employed has been the volume of policies sold during the year by type. Policies sold during the year were 241,504 (2013: 244,232) representing a decrease of 1.1% on the prior year. Overall income has decreased at a greater rate than this, 11%, because the clients lost represented low volume but high value sales.

Despite market conditions remaining very competitive with limited opportunities to raise prices, the Company retained its position as one of the market leaders in the GAP insurance market within the UK.

Principal risks and uncertainties

In the view of the Directors, the Company is subject to the following principal risks:

1. Credit risk

Credit risk is the risk of loss due to counterparties failing to meet all or part of their financial obligations in a timely fashion. The principal credit risk arises from exposure to counterparties through contracts and bank deposits. The Directors are satisfied there are adequate procedures in place to mitigate counterparty default.

2. Competitive risk

The Company is reliant on certain major contracts, which are subject to periodic competitive tender. Renewal of these contracts is uncertain and based on financial and performance criteria as well as market conditions. To mitigate this the Company develops close partnerships with clients which includes employing staff exclusively dedicated to those clients, as well as providing systems, training and support which give the Company competitive advantages.

3. Regulatory risk

The Company is subject to United Kingdom regulatory requirements. These requirements are subject to revision and any new regulatory requirements may have a material impact as failure to comply with regulatory requirements could materially affect the Company's reputation and financial position. The Company operates an effective compliance department to mitigate regulatory risks.

4. Business risk

As mentioned above, the Company income is drawn from only one insurer, its parent company Mapfre Asistencia S.A. The risks associated with using one underwriter are limited by way of the relationship between Mapfre Asistencia S.A. and the Company being a 100% owned subsidiary. Underwriting agreements between the two parties further mitigate any risk. On this basis the Directors consider that the business risk is being managed such that income is likely to be maintained.

5. Liquidity risk

Cash for policy sales is received directly from the customer into the Company's bank account. The income element relating to the Company is retained and the balance is transferred to the insurer, Mapfre Asistencia S.A. This results in minimal liquidity risk to the Company.



Pablo Alvert Sanz
Director

15 July 2015

Directors' report

The Directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends

The profit for the year after taxation was £207,612 (2013 : £244,756).

No dividends were paid during either the current or prior years.

Future developments

The Company seeks to maintain and grow its existing market share. In order to achieve this goal the Company will diversify its product range by enlarging the current product portfolio within the current business lines, whilst increasing customer satisfaction.

Directors

The Directors who held office during the year are set out on page 2.

On 30 May 2014 Fernando Gomez Guerrero resigned as Director of the Company.

On 20 January 2015 Nikolaos Antimissaris resigned as Director of the Company.

On 27 January 2015 Asunción Carrasco Reija and Sergio Rivera Jimenez were appointed as Directors of the Company.

Employees

Details of the number of employees and related costs can be found in note 6 to the financial statements.

Environment

Mapfre Asistencia S.A., the Company's ultimate parent undertaking, recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The Company operates in accordance with group policies, which are described in the group's Annual Report which does not form part of this report. Initiatives designed to minimise the Company's impact on the environment include the safe disposal of waste, recycling and energy consumption.

Going concern

The Company has sufficient financial resources together with long term-contracts with a number of customers. As a consequence, the Directors believe that the Company is well placed to manage its business risk successfully in the current economic climate. The Directors are confident that the Company will remain profitable for the foreseeable future.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditor is unaware. Having made enquiries of fellow Directors, each Director has taken all the steps that he might reasonably be expected to take as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Ernst & Young LLP will resign as auditors and KPMG LLP will be appointed as auditors in due course during 2015.

In accordance with S487 of the Companies Act 2006, a resolution will be proposed at the Meeting of Directors for the appointment of KPMG LLP as the auditors of the Company.



Pablo Alvert Sanz
Director

15 July 2015

Director's responsibility statement

The Directors are responsible for preparing the Strategic Report, Director's report and the financial statements in accordance with applicable UK 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 the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- 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.

Independent auditor's report to the members of Abraxas Insurance Administration Services Limited

We have audited the financial statements of Abraxas Insurance Administration Services Limited for the year ended 31 December 2014 which comprise Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on Page 6, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report to identify material inconsistencies in the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 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 Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Abraxas Insurance Administration Services Limited

Registered No: 02928787

**Independent auditor's report
to the members of Abraxas Insurance Administration Services 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.



Denise Larnder (Senior statutory auditor)

*for and on behalf of Ernst & Young LLP, Statutory Auditor
London*

Date: 16 July 2015

Profit and Loss Account
For the year ended 31 December 2014

		<i>Year ended</i> <i>31 December</i> <i>2014</i>	<i>Year ended</i> <i>31 December</i> <i>2013</i>
	<i>Note</i>	<i>£</i>	<i>£</i>
Turnover	2	4,245,760	4,797,830
Cost of sales		(181,533)	(236,542)
Gross profit		<u>4,064,227</u>	<u>4,561,288</u>
Administrative expenses		(3,711,255)	(4,172,665)
Impairment of tangible assets	8	(15,567)	-
Operating profit	3	<u>337,405</u>	<u>388,623</u>
Interest receivable	4	1,835	1,841
Interest payable	5	(61,467)	(65,645)
Profit on ordinary activities before taxation		<u>277,773</u>	<u>324,819</u>
Tax on profit on ordinary activities	7	(70,161)	(80,063)
Profit on ordinary activities after taxation	13	<u><u>207,612</u></u>	<u><u>244,756</u></u>

The notes on pages 11 to 16 form part of these financial statements.

All operations are continuing operations. There are no recognised gains or losses other than those passing through the Profit and Loss Account.

Balance Sheet
as at 31 December 2014

	Notes	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Fixed assets			
Tangible fixed assets	8	43,720	195,435
		<u>43,720</u>	<u>195,435</u>
Current assets			
Debtors	9	11,486,985	11,872,283
Cash at bank and in hand		290,753	(53,533)
		<u>11,777,738</u>	<u>11,818,750</u>
Creditors: amounts falling due within one year	10	(10,079,469)	(10,479,808)
Net current assets		<u>1,698,269</u>	<u>1,338,942</u>
Total Assets less Current Liabilities		<u><u>1,741,989</u></u>	<u><u>1,534,377</u></u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	1,741,987	1,534,375
Shareholder's funds	13	<u><u>1,741,989</u></u>	<u><u>1,534,377</u></u>

The notes on pages 11 to 16 form part of these financial statements.

The financial statements were approved by the Directors on 15 July 2015 and are signed on their behalf by:


Director: Pablo Alvert Sanz

Notes to the financial statements
For the year ended 31 December 2014

1 Principal Accounting Policies

The financial statements have been prepared under the historical cost convention. A summary of the principal accounting policies, which have been consistently applied, is set out below.

Basis of Preparation

The financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practices (UK GAAP).

The Company has not produced a Cash Flow Statement on the basis that the ultimate parent undertaking, Mapfre Asistencia S.A., a company incorporated in Spain, has prepared a group Cash Flow Statement in accordance with FRS1 (revised).

Turnover

Turnover represents net commission income on insurance policies sold during the year. Where the Company is contracted to perform further services in respect of these policies an appropriate proportion of income is deferred and included in creditors.

Fixed assets

All fixed assets are initially recorded at cost.

Administrative expenses and interest receivable

Administrative expenses and interest receivable are recognised on an accruals basis.

Depreciation

Depreciation and amortisation is provided on all tangible fixed assets as follows:

Fixtures and fittings	25% straight line
Motor vehicles	25% straight line
IT Equipment	25% straight line
Software development	33 1/3% straight line
Leasehold Improvements	Amortised over the life of the lease

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 as they become payable in accordance with the rules of the scheme.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax. The exception to this is that deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

2 Turnover

The turnover is attributable to the principal activity of the Company and arises solely in the UK.

3 Operating profit

This is stated after charging:

	<i>Year ended</i> <i>31 December</i> <i>2014</i> £	<i>Year ended</i> <i>31 December</i> <i>2013</i> £
Amortisation of land and buildings	79,948	79,948
Depreciation of owned fixed assets	55,048	51,530
Profit on disposal of fixed assets	(11,833)	(10,008)
Operating lease - land & buildings	70,401	70,401
Operating lease - vehicles	103,828	100,131
Auditors' remuneration for the Company	97,290	104,134
Auditors' remuneration borne on behalf of the parent company	6,210	6,300

Notes to the financial statements
For the year ended 31 December 2014

4 Interest receivable

	<i>Year ended 31 December 2014 £</i>	<i>Year ended 31 December 2013 £</i>
Bank interest receivable	<u>1,835</u>	<u>1,841</u>

5 Interest payable

	<i>Year ended 31 December 2014 £</i>	<i>Year ended 31 December 2013 £</i>
Interest payable and similar charges	<u>61,467</u>	<u>65,645</u>

6 Staff costs

	<i>Year ended 31 December 2014 £</i>	<i>Year ended 31 December 2013 £</i>
Wages and salaries	1,766,126	2,412,973
Social security costs	94,833	279,957
Pension costs	56,010	51,595
Other staff costs	16,790	39,863
	<u>1,933,759</u>	<u>2,784,388</u>

The Directors' remuneration for the year of £386,549 (2013: £393,374) was paid to the UK based Directors by the Company's ultimate parent company. During 2014, where practicable, the Directors have apportioned the amount between their services as Directors of Abraxas Insurance Administration Services Limited and their services of the holding company and fellow subsidiary companies.

The highest paid Director during the year received remuneration of £154,662 (2013: £205,466).

The Directors based in Spain are also Directors of the ultimate parent company. They are remunerated directly by the ultimate parent company and no allocation is made to the UK subsidiaries, as their contribution to those subsidiaries is not significant in the context of their overall services to the group.

There is one non-executive Director with remuneration for the year of £20,000 (2013: £20,000) of which 100% was absorbed by the Company's parent undertaking. This relates to services provided to the Company and another fellow subsidiary company of the group.

There was 1 Director (2013: 1) in the Mapfre Group's defined contribution pension scheme during the year, the cost of the contribution during the year was £2,212 (2013: £5,094).

The average number of staff employed by the Company during the financial year was:

	<i>Year ended 31 December 2014 No.</i>	<i>Year ended 31 December 2013 No.</i>
Managerial	7	7
Administration	79	89
Total	<u>86</u>	<u>96</u>

Notes to the financial statements
For the year ended 31 December 2014

7 Taxation

(a) Tax on profit on ordinary activities

	<i>Year ended 31 December 2014 £</i>	<i>Year ended 31 December 2013 £</i>
Current tax		
United Kingdom corporation tax on profit for the year	-	92,749
Adjustment in respect of prior periods	(44,444)	(81,319)
Group relief claimed/(surrendered) to fellow group companies	80,602	-
Adjustment to group relief in respect of prior periods	25,079	-
Current tax charge	<u>61,237</u>	<u>11,430</u>
Deferred tax		
Origination and reversal of timing differences	(8,188)	(7,363)
Adjustment in respect of prior periods	17,112	75,547
Effect of tax rate change on opening balance	-	449
Total deferred tax	<u>8,924</u>	<u>68,633</u>
Tax charge for the year	<u>70,161</u>	<u>80,063</u>

(b) Factors affecting the current tax charge for the year

The tax charge for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	<i>Year ended 31 December 2014 £</i>	<i>Year ended 31 December 2013 £</i>
Profit on ordinary activities before tax	<u>277,773</u>	<u>324,819</u>
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 21.49% (2013: 23.25%)	59,702	75,520
Effect of:		
Disallowed expenses and non taxable income	12,101	8,672
Capital allowances less than depreciation	5,981	9,603
Adjustment in respect of prior years	(44,444)	(81,319)
Adjustment to group relief in respect of prior periods	25,079	-
Other short term timing differences	2,838	(1,046)
Current tax charge	<u>61,237</u>	<u>11,430</u>

(c) Factors affecting the tax charge in the future

The Company has a deferred tax asset of £1,434 (2013: £10,358).

Notes to the financial statements
For the year ended 31 December 2014

8 Tangible fixed assets

	Fixtures and Fittings	IT Equipment	Software Development	Motor Vehicles	Leasehold Improvements	TOTAL
	£	£	£	£	£	£
Cost:						
At 1 st January 2014	29,879	-	142,757	51,102	358,204	581,942
Additions in 2014	1,146	173	-	-	-	1,319
Disposals in 2014	-	-	-	(51,102)	-	(51,102)
Fully Depreciated in 2014	(4,337)	-	(28,670)	-	-	(33,007)
At 31st December 2014	26,688	173	114,087	-	358,204	499,152
Accumulated Depreciation:						
At 1 st January 2014	22,845	-	54,080	44,650	264,932	386,507
Charge for the Period	6,074	36	44,957	3,981	79,948	134,996
Disposals in 2014	-	-	-	(48,631)	-	(48,631)
Fully Depreciated in 2014	(4,337)	-	(28,670)	-	-	(33,007)
At 31st December 2014	24,582	36	70,367	-	344,880	439,865
Impairment loss	2,106	137	-	-	13,324	15,567
Net Book Value						
At 31st December 2014	-	-	43,720	-	-	43,720
At 31st December 2013	7,034	-	88,677	6,452	93,272	195,435

9 Debtors

	31 December 2014 £	31 December 2013 £
Trade debtors	7,320,912	8,152,475
Amounts owed by group undertakings	266,150	197,302
Amounts owed by parent undertakings	3,786,000	3,386,000
Prepayments and accrued income	96,855	122,351
Other debtors	15,634	3,797
Deferred tax asset (Note 11)	1,434	10,358
	11,486,985	11,872,283

Loans to group and parent undertakings are unsecured, interest free and have no defined repayment date.

10 Creditors: amounts falling due within one year

	31 December 2014 £	31 December 2013 £
Trade creditors	3,465,134	3,417,337
Accruals and deferred income	945,571	610,512
Amounts owed to group undertakings	5,580,266	6,209,690
PAYE & National Insurance	77,036	91,887
Corporation tax	-	92,749
Other creditors	11,462	57,633
	10,079,469	10,479,808

Notes to the financial statements
For the year ended 31 December 2014

11 Deferred tax asset

	<i>Deferred Tax</i>	
	<i>£</i>	
Balance at 1 January 2014	10,358	
Profit and Loss Account	(8,924)	
Balance at 31 December 2014	<u>1,434</u>	
	<i>31 December</i>	<i>31 December</i>
	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Accelerated capital allowances	1,434	10,358
	<u>1,434</u>	<u>10,358</u>

The Company profits are taxable in the UK under the standard rate of corporation tax being 21.49% (2013: 23.25%), following a reduction in the rate from 23% to 21% as of 1 April 2014. The UK government have legislated to reduce the main rate of corporation tax to 20% from 1 April 2015. This reduction has been reflected in the closing deferred tax asset, as it was enacted at the balance sheet date.

In addition the UK government has announced in its Summer Budget of July 2015 further reductions in the main rate of corporation tax to 19% and 18% on 1 April 2017 and 1 April 2020 respectively. These reductions have not been reflected in the closing deferred tax asset, as they were not substantively enacted at the balance sheet date. The future rate reductions are not expected to materially impact the closing deferred tax asset.

12 Share capital

<i>Authorised</i>	<i>31 December</i>	<i>31 December</i>
	<i>2014</i>	<i>2013</i>
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid:</i>	<i>2014</i>	<i>2014</i>
	<i>No</i>	<i>No</i>
	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

13 Reconciliation of shareholder's funds and movements on reserves

	<i>Share Capital</i>	<i>Profit and loss account</i>	<i>Total shareholder's funds</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Balance as at 1 January 2013	2	1,289,619	1,289,621
Profit for the year	-	244,756	244,756
Balance as at 1 January 2014	2	1,534,375	1,534,377
Profit for the year	-	207,612	207,612
Balance at 31 December 2014	<u>2</u>	<u>1,741,987</u>	<u>1,741,989</u>

14 Related party transactions

The Company has taken advantage of the exemption given by FRS 8 to 100% owned subsidiary undertakings by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties.

15 Parent undertaking and controlling party

Abraxas Insurance Administration Services Limited is a wholly owned subsidiary of Mapfre Abraxas Software Limited, a company incorporated in England and Wales. Mapfre Abraxas Software Limited is a wholly owned subsidiary of Mapfre Asistencia S.A., a company incorporated in Spain. Mapfre Asistencia S.A. is a wholly owned subsidiary of Mapfre S.A., a company incorporated in Spain. The ultimate controlling party as at 31 December 2014 was Fundación Mapfre. The financial statements of Fundación Mapfre are available from 23 Paseo de Recoletos, 28004, Madrid, Spain.

Notes to the financial statements
For the year ended 31 December 2014

16 Financial commitments

The Company was committed to making the following payments under non-cancellable operating leases in the next year.

	2014 Other £	2014 Motor Vehicles £	2014 Total £
Operating leases which expire:			
Within One year	1,000	44,683	45,683
In the second to fifth years	21,441	121,686	143,127
At 31 st December 2014	<u>22,441</u>	<u>166,369</u>	<u>188,810</u>

	2013 Other £	2013 Motor Vehicles £	2013 Total £
Operating leases which expire:			
Within One year	1,000	37,680	38,680
In the second to fifth years	21,441	93,472	114,913
At 31 st December 2013	<u>22,441</u>	<u>131,152</u>	<u>153,593</u>