

Company Registration Number
3104978

Investment Solutions Limited
Report and Financial Statements
for the year ended
31 March 2011

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Investment Solutions Limited
Report and Financial Statements for the year ended 31 March 2011
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Investment Solutions Limited
Company Information

Directors

G Stobart

M McGrade (appointed 20 October 2010)

R Warner (appointed 6 January 2011)

D Msibi (appointed 23 March 2011)

A Newton (resigned 28 April 2011)

D de Bruin (resigned 12 November 2010)

P Bradley (appointed 27 May 2011)

Non executive directors

M Christophers

T Morgan (resigned 31 August 2010)

Secretary

L Voss

Actuarial function holder

M Kemp

Nematrian Limited

29 Woodwarde Road

London

SE22 8UN

Auditors

PricewaterhouseCoopers LLP

7 More London Riverside

London

SE1 2RT

Registered Office

5th Floor

Leon House

233 High Street

Croydon

Surrey

CR9 9AF

Registration number

3104978

Investment Solutions Limited
Registered Number: 3104978
Directors' Report

The Directors present their report and audited financial statements of the Company for the year ended 31 March 2011

Principal activities

The Company is a life insurance company, authorised and regulated by the Financial Services Authority to provide pension products. The Company will continue with the principal activity outlined above.

Results and dividends

The profit for the year, after taxation, amounted to £570,000 (2010 £437,000). The Directors do not recommend the payment of a final dividend (2010 £nil).

Review of business and future developments

i) Review of developments and performance of the business and position at year-end

The Directors are satisfied with the financial results of the Company. The Company was positively impacted by the improved financial market conditions which assisted in achieving higher average assets under management over the year. Due to the nature of the charging structure for one large client, the increase in assets under management has not been fully reflected as revenue despite receiving an additional inflow of £432m within the financial year.

ii) Principal risks and uncertainties

The Directors conduct a regular, formal review of the risks and uncertainties facing the business (refer to 'Financial risk management objectives and policies'). The Directors recognise that the business is sensitive to changes in global financial markets as well as interest rates which are, to an extent, outside of the Company's direct control.

iii) Key performance indicators

The Directors are satisfied, given the improved market environment, with the progress of the business against the following key performance indicators:

- Premiums written during the year were £521.6m (2010 £96.7m)
- Assets under management increased by 38%, and
- Other technical income decreased by 3% from the prior year. This is due to assets received being held under a flat fee arrangement which has been amended from 1 April 2011. Net income after direct expenses has increased by 13% in relation to the prior year.

iv) Future outlook

The outlook for the medium term is positive; however, the business remains exposed to volatility in global financial markets. The Directors are committed to ensuring that the Company is optimally positioned to meet its stated objectives, which includes comprehensive operating and strategic reviews.

Investment Solutions Limited
Registered Number: 3104978
Directors' Report

Directors

The Directors of the Company during the year under review are shown on page 1

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared 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 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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial risk management objectives and policies

The contracts written by the Company are unit-linked contracts. The liabilities to policyholders under these contracts are matched with assets in the portfolio such that the Company retains no material price, currency, liquidity, insurance or interest rate risk.

Investment Solutions Limited
Registered Number 3104978
Directors' Report

The Company is exposed to credit risk with respect to a significant proportion of the unit-linked liabilities that are reinsured. The credit risk predominantly arises in respect of the risk of default from the reinsurer. The Company monitors the creditworthiness of reinsurers on an annual basis by reviewing their financial strength and credit ratings from recognised industry sources, where these are available. In addition the reinsurers the Company deals with themselves conduct primarily unit linked investment business and carry little insurance risk. The Company has a floating charge on the assets of the reinsurer and is not locked into a reinsurance arrangement for any specified time scale, there is minimal insurance risk retained by the Company.

The primary risks to the business are considered to include economic downturn, operational risks, legislative changes, alterations to the regulatory environment and major market fluctuations. The Directors conduct a formal, regular review of the risks and uncertainties facing the business.

Disclosure of information to Auditors

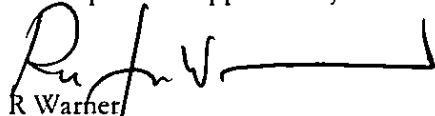
So far as each Director at the date of approval of this report is aware

- there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

In accordance with the Companies Act 2006, the Company is no longer required to hold annual general meetings. Subject to the receipt of any objections as provided under statute or the Company's Articles of Association, the Company is relying on the provisions for the deemed reappointment of PricewaterhouseCoopers LLP as auditors as provided in section 487 of the Companies Act 2006 and PricewaterhouseCoopers LLP have indicated their willingness to continue as auditors of the Company.

This report was approved by the Board of Directors on 27 May 2011 and signed on its behalf by


R Warner
Director
09 June 2011

Investment Solutions Limited
Independent Auditor's Report
to the Shareholder of Investment Solutions Limited

We have audited the financial statements of Investment Solutions Limited for the year ended 31 March 2011 which comprise the profit and loss account, 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).

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' responsibilities set out on page 3, 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2011 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 matters 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.

Investment Solutions Limited
Independent Auditor's Report
to the Shareholder of Investment Solutions 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



Jeremy Jensen (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

09 June 2011

Investment Solutions Limited
Profit and Loss Account
for the year ended 31 March 2011
Technical Account

	Notes	2011 £'000	2010 £'000
Earned premiums, net of insurance			
Gross premiums written	2	521,577	96,676
Outward insurance premiums		(511,145)	(66,706)
		<u>10,432</u>	<u>29,970</u>
Investment income	3	19	47
Unrealised gains on investment	3	-	90,407
Realised gains on investment	3	37,565	10,391
Other technical income net of insurance	4	5,589	5,780
Total technical income		<u>53,605</u>	<u>136,595</u>
Claims incurred, net of reinsurance			
Claims paid			
Gross amount	5	(173,905)	(135,342)
Reinsurers share		86,666	99,193
		<u>(87,239)</u>	<u>(36,149)</u>
Change in other technical business provisions net of reinsurance			
Technical provisions for linked liabilities		<u>61,479</u>	(89,294)
Net operating expenses (including exceptional credits)	6	<u>(5,016)</u>	(5,285)
Investment charges			
Investment expenses and charges	3	(5,224)	(5,325)
Unrealised (loss) on investments	3	(17,013)	-
		<u>(22,237)</u>	<u>(5,325)</u>
Balance on long term business technical account		<u>592</u>	<u>542</u>

Investment Solutions Limited
Profit and Loss Account
for the year ended 31 March 2011
Non Technical Account

	Notes	2011 £'000	2010 £'000
Balance on long term business technical account		592	542
Operating profit		<u>592</u>	<u>542</u>
Investment income	10	97	80
Profit on ordinary activities before taxation		<u>689</u>	<u>622</u>
Tax on profit on ordinary activities	14	(119)	(185)
Profit for financial year		<u>570</u>	<u>437</u>

All items dealt with in arriving at the above results relate to continuing operations

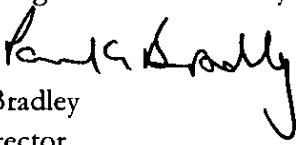
The Company had no recognised gains and losses during the year, other than the result for each year, and therefore no separate statement of total recognised gains and losses has been prepared

There is no difference between the above results from ordinary activities before taxation and the results for the years stated above and their historical cost equivalents

Investment Solutions Limited
Balance Sheet
Registered Number: 3104978
as at 31 March 2011

	Notes	2011 £'000	2010 £'000
Assets			
Investments			
Other financial investments	15	4,005	4,004
Assets held to cover linked liabilities			
Investments	11	239,573	301,052
Reinsurers share of technical provisions		1,190,431	694,353
		<u>1,430,004</u>	<u>995,405</u>
Total investments		<u>1,434,009</u>	<u>999,409</u>
Debtors			
Debtors arising out of direct/reinsurance operations	17	5,756	1,358
Other debtors	18	3,316	2,806
Other assets			
Deferred tax	21	29	34
Cash at bank and in hand		3,628	3,673
Prepayments and accrued income			
Deferred acquisition costs	16	-	-
Other prepayments and accrued income	16	167	216
		<u>12,896</u>	<u>8,087</u>
Total Assets		<u>1,446,905</u>	<u>1,007,496</u>
Liabilities			
Capital and reserves			
Called up share capital	22	10,064	10,064
Profit and loss account	23	749	179
Total shareholder's funds	24	<u>10,813</u>	<u>10,243</u>
Technical provision for linked liabilities	12	1,430,004	995,405
Creditors: amounts falling due within one year	19	5,323	712
Accruals and deferred income	20	765	1,136
		<u>1,436,092</u>	<u>997,253</u>
Total liabilities		<u>1,446,905</u>	<u>1,007,496</u>

The financial statements on pages 7 to 19 were approved by the Board of Directors on 27 May 2011 and signed on its behalf by


P Bradley
Director

9 June 2011

Investment Solutions Limited
Notes to the Accounts
for the year ended 31 March 2011

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the provision of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("SI2008/410") relating to insurance groups and in accordance with the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers (the "ABI SORP") in December 2005 and as amended in December 2006. The financial statements have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies is set out below, together with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the year.

New accounting policies

No new accounting policies were adopted during the current period. The Company is exempt from Financial Reporting Standard ("FRS") 29 (Financial Instruments: Disclosures) as it does not hold assets at fair value and has therefore not adopted FRS 26 (Financial Instruments: Recognition and Measurement).

Premiums

Premiums, including reinsurance premiums, are accounted for when due for payment, except for unit-linked premiums, which are accounted for when units are created.

Claims

Surrenders and Death claims and all other claims are accounted for when notified. Reinsurance recoveries are accounted for in the same period as the related claim.

Investment return

Investment return comprises investment income, including realised investment gains and losses and the amortisation of differences between cost and maturity value of fixed income securities carried at cost, and movements in unrealised gains and losses net of investment expenses and charges.

Dividends are included as investment income on the date that the shares become quoted ex-dividend. Interest, rents and expenses are included on an accruals basis.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and weighted average cost. Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their purchase price or, if they have been previously valued, their valuation at the last balance sheet date. The movement in unrealised gains and losses recognised in the year also includes the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

Investment Solutions Limited
Notes to the Accounts
for the year ended 31 March 2011

Investments

Investments are included at current value. For this purpose, listed investments are included at stock exchange mid-market values, and unlisted investments at Directors' valuation.

Deferred acquisition costs

Deferred acquisition costs represent costs arising from the conclusion of certain insurance contracts in the previous year. These costs are deferred over a period of five years. The amortisation of the deferred acquisition cost asset commenced on the recognition of premiums available to meet costs as provided in the contractual terms of the policy. A full provision was raised against this in the previous financial year.

Cash flow statement

The Company is a wholly owned subsidiary of Alexander Forbes Limited and the cash flows of the Company are included in the consolidated cash flow statement of that company. Consequently the Company is exempt under the terms of FRS 1 from publishing its own cash flow statement.

Technical provisions

Technical provision for linked liabilities are determined by reference to the value of assets held to provide linked benefits to the relevant policyholder.

Deferred taxation

The charge for ordinary taxation is based on the profits for the year. Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation, as required by FRS 19. Deferred tax is measured in the financial statements on a non-discounted basis. Deferred tax is measured in the financial statements on a non-discounted basis at a tax rate of 26%, the rate of tax which will be effective from 1 April 2011.

Investment Solutions Limited
Notes to the Accounts
for the year ended 31 March 2011

2 Segmental analysis

	2011 £'000	2010 £'000
(i) Gross premiums written		
Pension business		
Direct premiums (regular)	15,069	14,625
Direct premiums (single)	506,508	82,051
Total premiums	<u>521,577</u>	<u>96,676</u>
Comprising		
Individual contracts	12	16
Group contracts	521,565	96,660
	<u>521,577</u>	<u>96,676</u>
(ii) Gross new business premiums		
Gross new premium income is made up of:		
Direct premiums (regular)	3,733	2,140
Direct premiums(single)	506,508	82,051
	<u>510,241</u>	<u>84,191</u>
Comprising		
Individual contracts	-	-
Group contracts	3,733	2,140
Total new business premiums	<u>3,733</u>	<u>2,140</u>

In classifying new business premiums the following bases of recognition have been adopted

- recurrent single premium contracts, including Department of Work and Pensions rebates on certain pensions products are included as new business, single premiums, and
- increments under existing group pension schemes are classified as new business premiums

Where regular premiums are received other than annually, the reported regular new business premiums are on an annualised basis

All premium income is derived from contracts concluded in the United Kingdom

Investment Solutions Limited
Notes to the Accounts
for the year ended 31 March 2011

3	Net Investment Income - long term business	2011	2010
		£'000	£'000
	Investment income		
	Income from investments	19	47
	Gains on realisation of investments	37,566	10,391
	Unrealised gains on investments	-	90,407
		<u>37,585</u>	<u>100,845</u>
	Income expenses and charges		
	Investment management expenses	(5,224)	(5,325)
		<u>(5,224)</u>	<u>(5,325)</u>
	Unrealised losses on investments	(17,013)	-
	Total investment return	<u>15,348</u>	<u>95,520</u>
4	Other technical income	2011	2010
		£'000	£'000
	Investment management fees	5,589	5,780
	Other technical income	<u>5,589</u>	<u>5,780</u>
5	Claims incurred	2011	2010
		£'000	£'000
	Retirements	1,252	1,806
	Death claims	168	228
	Surrenders	172,485	133,308
	Total claims incurred	<u>173,905</u>	<u>135,342</u>
6	Net operating expenses	2011	2010
		£'000	£'000
	Net acquisition costs	1,124	1,379
	Commissions paid on acquisitions	-	-
	Change in deferred acquisition costs	82	221
	Administrative expenses	3,810	3,685
		<u>5,016</u>	<u>5,285</u>

Administration expenses include adjustments relating to write backs totalling £ Nil (2010 £648,000) The write backs in the previous year relate to the reversal of write offs of certain and debtor balances in previous years

Investment Solutions Limited
Notes to the Accounts
for the year ended 31 March 2011

7 Auditor's remuneration	2011	2010
	£'000	£'000
Audit services		
Fees payable to the Company's auditors for the audit of the Company accounts	36	35
Non audit services		
Fees payable to the Company's auditors for the audit of the FSA return	51	50
	87	85

8 Directors' emoluments
The Executive Directors are employed and paid by companies in the Alexander Forbes International Limited Group. An allocation of the emoluments for the Executive Directors' services is disclosed below

	2011	2010
	£'000	£'000
Executive Directors:		
Salaries and other emoluments	264	214
Aggregate contributions to defined contribution pension funds	28	23
	292	237
Amounts attributable to highest paid Director:		
Salaries and other emoluments	100	95
Aggregate contributions to defined contribution pension funds	7	12
	107	107

9 Employee information
The Company has no employees. All staff costs were borne by Alexander Forbes Services Limited during the period. Alexander Forbes Services Limited is a group undertaking which recharged staff costs to Investment Solutions Investment Administration Limited which in turn recharged these costs as a management fee to the Company. Details of employees and employee related costs, including pension costs, are shown in the financial statements of that company.

10 Investment income-shareholder investments	2011	2010
	£'000	£'000
Investment income on short term deposits and inter-company loans	97	80
	97	80

Investment Solutions Limited
Notes to the Accounts
for the year ended 31 March 2011

11 Investments held to cover linked liabilities

	Market value		Historic cost	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Overseas and UK equities in unitholdings	176,795	255,505	153,682	207,609
Units within specified OEIC funds	62,556	44,984	50,809	36,684
Cash and receivables	222	563	222	563
Total other financial investments	239,573	301,052	204,713	244,856

The investments in specified Open Ended Investment Company (OEIC) funds relate to the Company's holding in the Select UK Equity Fund and World Equity Funds in Investment Solutions Multi Manager OEIC. This OEIC is managed by Investment Solutions Fund Managers Limited, a fellow Investment Solutions group company.

12 Technical provisions for linked liabilities

	2011	2010
	£'000	£'000
Technical provisions at 1 April	995,405	749,920
Change in technical provision, net of reinsurance	(61,479)	89,294
Premiums	10,432	29,970
Claims	(87,239)	(36,149)
Changes in investment values	15,328	95,473
Reinsurers' share of change in technical provisions	496,078	156,191
Changes in technical provisions	434,599	245,485
Technical provisions at 31 March	1,430,004	995,405

Investment Solutions Limited
Notes to the Accounts
for the year ended 31 March 2011

13 Capital management

The Company has adopted FRS 27, issued in December 2004. The disclosure requirements of the standard largely focus on with-profit funds that fall under the Financial Services Authority (FSA) realistic reporting regime. None of the business written by the Company falls within this category.

The Company maintains an efficient capital structure consistent with the Company's risk profile and the regulatory and market requirement of its business.

In reporting the Company's financial strength, capital and solvency is measured using the regulations prescribed by the FSA. These regulatory capital tests are based upon required levels of solvency capital and a series of prudent assumptions in respect of the type of business written by the Company.

Capital Management policies and objectives

The Company's objectives in managing its capital are:

- To match the profile of its assets and liabilities, taking account of the risks inherent in the business,
- To maintain financial strength to support new business growth,
- To satisfy the requirements of its policyholders and regulators, and
- To manage exposures to credit risk arising from its exposure to re-insurers

Restrictions on available capital resources:

The capital held within the shareholder's funds is generally available to meet any requirements. It remains the intention of Directors to ensure that there is adequate capital to exceed the Company's regulatory requirements.

Capital position statement

	Unit linked business	
	2011	2010
	£'000	£'000
Shareholder's funds	10,813	10,243
Adjustments on a regulatory basis	(3,271)	(2,522)
Total available capital resources	7,542	7,721

Analysis of liabilities:

Unit-linked liabilities	(1,430,003)	(995,405)
Technical provision in balance sheet	(1,430,003)	(995,405)

Movement in capital resources

	2011	2010
	£'000	£'000
Balance at 1 April	7,721	7,526
Effect of changes in assumptions (closure reserve)	(91)	1,200
New business and other factors	(88)	(1,005)
Balance at 31 March	7,542	7,721

Investment Solutions Limited
Notes to the Accounts
for the year ended 31 March 2011

The adjustment of £3,271,000 (2010 £2,522,000) relates to the restatement of shareholders' funds to a regulatory basis including the elimination of assets that are inadmissible for regulatory purposes. The available capital is in excess of the regulatory minimum capital requirement.

The total available capital resources above show the capital on a regulatory basis that is available to meet the regulatory requirements of the business.

The Company's relevant capital requirement is the minimum solvency requirement determined in accordance with FSA regulations, and management set a capital surplus target in excess of the minimum. At 31 March 2011, the available capital was 142% (2010 147%) in excess of the capital requirement of £3,040,000 (2010 £3,128,000). This is based on FSA returns.

14 Taxation	2011 £'000	2010 £'000
Current tax:		
Adjustments in respect of previous periods	114	11
Deferred tax:		
Origination and reversal of timing differences	177	174
Adjustment to tax in respect of prior periods	(174)	-
Effect of decreased tax rate on opening asset	2	-
	<u>5</u>	<u>174</u>
Tax on profit on ordinary activities	<u>119</u>	<u>185</u>

As a result of the change in UK Corporation tax rates which will be effective from 1 April 2011, deferred tax balances have been remeasured at the tax rate of 26%. This has resulted in a charge to profit and loss account of £2k.

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	<u>689</u>	<u>622</u>
Standard rate of corporation tax in the UK	28%	28%
	<u>£'000</u>	<u>£'000</u>
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 28% (2010 28%)	193	174
Effects of:		
Other expenses	(16)	-
Utilisation of tax losses	(177)	(174)
Adjustments to tax charge in respect of previous periods	114	11
Current tax charge for period	<u>114</u>	<u>11</u>

The adjustments to tax charge in respect of previous periods of £114k (2010 £10k) relate primarily to the utilisation of prior year losses.

Investment Solutions Limited
Notes to the Accounts
for the year ended 31 March 2011

15 Investments	2011	2010
	£'000	£'000
Other financial investments		
Short term deposits	4,000	4,000
Unlisted investments	5	4
	<u>4,005</u>	<u>4,004</u>

All deposits with credit institutions are short-term investments, accessible within a maximum of 30 days
Deposits with credit institutions are money market deposits where value equals cost £2 0m of the balance is allocated to policyholders in accordance with the ABI SORP on Accounting for Insurance Business

16 Prepayments and accrued income	2011	2010
	£'000	£'000
Deferred acquisition costs	57	139
Provision against deferred acquisition costs	(57)	(139)
Prepayments	2	3
Accrued income	165	213
	<u>167</u>	<u>216</u>

A provision has been raised against deferred acquisition costs in light of uncertainty around the recovery of this asset

17 Debtors arising out of direct/reinsurance operations	2011	2010
	£'000	£'000
Due from policyholders	411	931
Due from Asset Managers and Insurers	5,345	427
	<u>5,756</u>	<u>1,358</u>

18 Other debtors	2011	2010
	£'000	£'000
Amounts owed by group undertakings due less than one year	40	473
Amounts owed by group undertakings due after 12 months	3,111	2,111
Other debtors	165	222
	<u>3,316</u>	<u>2,806</u>

Amounts owed by group undertakings totalling £40,404 are unsecured and have no fixed dates of repayment Unsecured amounts owing by group undertakings totalling £3,111,000 are repayable on 30 March 2016 and subject to interest calculated on 6 month LIBOR plus 2% as determined on 1 April and 1 October each year

Investment Solutions Limited
Notes to the Accounts
for the year ended 31 March 2011

19 Creditors: amounts falling due within one year	2011	2010
	£'000	£'000
Amounts owed to group undertakings	121	270
Other creditors	5,202	442
	<u>5,323</u>	<u>712</u>
Amounts due to group undertakings are unsecured and have no fixed dates of repayment		
20 Accruals and deferred income	2011	2010
	£'000	£'000
Accruals and deferred income	765	1,136
	<u>765</u>	<u>1,136</u>
21 Deferred taxation	2011	2010
	£'000	£'000
Tax losses carried forward	(29)	(34)
	<u>2011</u>	<u>2010</u>
	£'000	£'000
At 1 April	(34)	(208)
Deferred tax charge in profit and loss account	5	174
At 31 March	<u>(29)</u>	<u>(34)</u>
22 Share capital	2011	2010
	£'000	£'000
10,064,000 Ordinary shares of £1 each	10,064	10,064
23 Profit and loss account	2011	2010
	£'000	£'000
At 1 April	179	(258)
Profit for the financial year	570	437
At 31 March	<u>749</u>	<u>179</u>
24 Reconciliation of movement in shareholder's funds	2011	2010
	£'000	£'000
At 1 April	10,243	9,806
Profit for the financial year	570	437
At 31 March	<u>10,813</u>	<u>10,243</u>

Investment Solutions Limited
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25 Capital and other financial commitments

There were no capital or other financial commitments as at 31 March 2011(2010 £Nil)

26 Related party transactions

The Company is a wholly owned subsidiary within the Alexander Forbes Limited group and advantage has been taken of the exemption in FRS 8 not to disclose any transactions with entities that are part of that group, as the accounts of Alexander Forbes Limited are publicly available Details of Directors are shown on page 1

27 Ultimate Parent Company and Controlling Party

The Company's immediate parent company at 31 March 2011 was Investment Solutions Group Limited, which is registered in England and Wales The Company's ultimate parent company and controlling party at 31 March 2011 was Alexander Forbes Equity Holdings (Pty) Limited, a company registered in South Africa

The largest and smallest groups for which group accounts are prepared and of which the Company is a member is as follows

	Largest	Smallest
Name	Alexander Forbes Equity Holdings (Pty) Limited	Alexander Forbes Limited
Country of incorporation	South Africa	South Africa
Address from which copies of the group accounts can be obtained	61 Katherine Street Sandown 2196 South Africa	61 Katherine Street Sandown 2196 South Africa