

Insurety Plc

Registered number: 3179382

Directors' report and financial statements

For the period ended 31 December 2008

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INSURETY PLC

COMPANY INFORMATION

Directors	C Bell Mrs S J Brace B Rousset (appointed 5 March 2009) T Lecomte (appointed 5 March 2009) Mrs I Grosmaître (appointed 5 March 2009)
Company secretary	P J Collinson
Company number	3179382
Registered office	15 Apex Court Almondsbury Bristol BS32 4JT
Auditor	Mazars LLP Chartered accountants & Registered auditors Clifton Down House Beaufort Buildings Clifton Down Clifton Bristol BS8 4AN

INSURETY PLC

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DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2008

The directors present their report and the financial statements for the period ended 31 December 2008.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. 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 and review of business

The principal activity of the company in the year under review was that of sales and marketing of products in the insurance sector.

The results for the period and financial position of the company are as shown in the annexed financial statements.

Income was slightly up on a comparative basis with the previous year whilst the renewal book remained solid. The directors have found no need to adjust the basis on which the clawback provision is calculated.

No dividend was received from the company's Irish subsidiary during the period under review (£343,988 was received in the previous year).

Business prospects for the company remain good.

The key financial highlights for the company are as follows:

	2008	2008
Turnover	£4,060,271	£5,322,006
Gross Profit Margin	50.1%	53.5%
Profit before Tax	£487,627	£863,267

INSURETY PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2008

Results and dividends

The profit for the period, after taxation, amounted to £321,560 (2008 - £592,778).

A dividend was not declared during the period.

Directors

The directors who served during the period were:

C Bell
Mrs S J Brace
B Rousset (appointed 5 March 2009)
T Lecomte (appointed 5 March 2009)
Mrs I Grosmaître (appointed 5 March 2009)

Company policy on the payment of creditors

The group's costs are principally incurred with its consultants, who are paid on a weekly or fortnightly basis depending on the product sold. Other costs are incurred with trade suppliers and payment terms are agreed on an individual basis and generally do not exceed thirty days.

Financial Instruments

The group's principal financial instruments comprise bank balances, inter group loans, other debtors, hire purchase contracts and trade creditors. The main purpose of these instruments is to finance the company's operations.

In respect of bank balances, the liquidity risk is managed by maintaining an appropriate balance between term deposits and current funds.

In respect of inter group loans, the liquidity risk is managed by ensuring that there are sufficient funds to meet any payments.

Other debtors are managed in respect of credit and cash flow risk by review of the performance of the debtor.

The group finances the purchase of some vehicles by way hire purchase contracts. The liquidity risk in respect of these is managed by control of the bank balances.

The liquidity risk of trade creditors is managed by ensuring sufficient funds are available to meet amounts due.

Employee involvement

The group actively involves all employees in its general business and performance.

INSURETY PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2008

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, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11 May 2009 and signed on its behalf.



Secretary



INSURETY PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INSURETY PLC

We have audited the financial statements of Insurety Plc for the period ended 31 December 2008, which comprise the Profit and loss account, the Balance sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether they are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

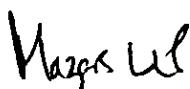
INSURETY PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INSURETY PLC

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.



Mazars LLP

Chartered accountants
Registered auditors

Clifton Down House
Beaufort Buildings
Clifton Down
Clifton
Bristol
BS8 4AN

Date:

13 May 2009

INSURETY PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Period ended 31 December 2008 £	Year ended 31 March 2008 £
Turnover	1,2	4,060,271	5,322,006
Cost of sales		(2,028,451)	(2,472,402)
Gross profit		2,031,820	2,849,604
Administrative expenses		(1,529,277)	(2,400,137)
Other operating income	3	1,939	-
Other operating charges		(55,065)	-
Operating profit	4	449,417	449,467
Income from fixed assets & dividends		-	343,988
Interest receivable		38,737	83,074
Interest payable	7	(527)	(13,262)
Profit on ordinary activities before taxation		487,627	863,267
Tax on profit on ordinary activities	8	(166,067)	(270,489)
Profit for the financial period	16	321,560	592,778

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or the previous period other than those included in the Profit and loss account.

The notes on pages 8 to 17 form part of these financial statements.

INSURETY PLC

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	31 December 2008 £	31 March 2008 £
Fixed assets			
Tangible fixed assets	9	15,290	20,219
Fixed asset investments	10	44,695	178,444
		<u>59,985</u>	<u>198,663</u>
Current assets			
Debtors	11	262,674	1,471,735
Cash at bank		1,590,997	2,443,340
		<u>1,853,671</u>	<u>3,915,075</u>
Creditors: amounts falling due within one year	12	<u>(1,316,140)</u>	<u>(3,909,751)</u>
Net current assets		<u>537,531</u>	<u>5,324</u>
Total assets less current liabilities		<u>597,516</u>	<u>203,987</u>
Provisions for liabilities			
Other provisions	14	<u>(349,840)</u>	<u>(277,871)</u>
Net assets/(liabilities)		<u><u>247,676</u></u>	<u><u>(73,884)</u></u>
Capital and Reserves			
Called up share capital	15	50,000	50,000
Profit and loss account	16	<u>197,676</u>	<u>(123,884)</u>
Shareholders' funds/(deficit)	17	<u><u>247,676</u></u>	<u><u>(73,884)</u></u>

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

11 May 2009.

Director

The notes on pages 8 to 17 form part of these financial statements.

INSURETY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

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 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.3 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:

Motor vehicles	-	25%	straight line
Fixtures & fittings	-	25%	straight line
Computer equipment	-	25%	straight line

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals under operating leases are charged 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.

INSURETY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

1. Accounting policies (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

2. Turnover

Turnover represents net commissions received from the sale of insurance policies within the United Kingdom.

Turnover is adjusted for a provision for commissions that are under indemnity, being an estimate of commission income earned to date that will subsequently have to be repaid as a result of the insurance policy not running its full term. This estimate of this liability is based on projections of future lapse rates from past experience and is included within other provisions in the financial statements.

All turnover arose within the United Kingdom.

3. Other operating income

	9 months to 31 December 2008	12 months to 31 March 2008
	£	£
Insurance claim receivable	1,939	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

4. Operating profit

The operating profit is stated after charging:

	9 months to 31 December 2008 £	12 months to 31 March 2008 £
Depreciation of tangible fixed assets:		
- owned by the company	4,160	3,621
- held under finance leases	769	20,846
Auditors' remuneration	13,850	9,985
Auditors' remuneration - non-audit	-	4,820
Operating lease rentals:		
- plant and machinery	8,997	11,997
- other operating leases	32,386	41,249
	<u> </u>	<u> </u>

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	9 months to 31 December 2008 £	12 months to 31 March 2008 £
Wages and salaries	844,054	1,053,105
Social security costs	89,388	108,522
Other pension costs	3,544	330,576
	<u> </u>	<u> </u>
	936,986	1,492,203
	<u> </u>	<u> </u>

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

	9 months to 31 December 2008 No.	12 months to 31 March 2008 No.
Administration	<u> </u>	<u> </u>
	57	55

6. Directors' remuneration

	9 months to 31 December 2008 £	12 months to 31 March 2008 £
Emoluments	<u> </u>	<u> </u>
	195,137	599,702
Company pension contributions to money purchase pension schemes	<u> </u>	<u> </u>
	-	327,000

During the period retirement benefits were accruing to no directors (2008 - 1) in respect of money purchase pension schemes.

INSURETY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

The highest paid director received remuneration of £130,500 (2008 - £456,794).

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £NIL (2008 - £327,000).

7. Interest payable

	9 months to 31 December 2008 £	12 months to 31 March 2008 £
On bank loans and overdrafts	-	168
On finance leases and hire purchase contracts	527	5,167
Other interest payable	-	7,927
	<u>527</u>	<u>13,262</u>

8. Taxation

	9 months to 31 December 2008 £	12 months to 31 March 2008 £
Analysis of tax charge in the period/year		
Current tax (see note below)		
UK corporation tax charge on profit for the period/year	165,851	259,499
Deferred tax (see note 13)		
Origination and reversal of timing differences	216	10,990
	<u>166,067</u>	<u>270,489</u>
Tax on profit on ordinary activities		

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

8. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2008 - the same as) the standard rate of corporation tax in the UK (28%). The differences are explained below:

	9 months to 31 December 2008 £	12 months to 31 March 2008 £
Profit on ordinary activities before tax	487,627	863,267
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 30%)	136,536	258,980
Effects of:		
Expenses not deductible for tax purposes	29,814	39,730
Capital allowances for period/year in excess of depreciation	(499)	(4,812)
Higher rate taxes on overseas earnings	-	(34,399)
Current tax charge for the period/year (see note above)	165,851	259,499

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

9. Tangible fixed assets

	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost			
At 1 April 2008 and 31 December 2008	34,486	148,504	182,990
Depreciation			
At 1 April 2008	14,267	148,504	162,771
Charge for the period	4,929	-	4,929
At 31 December 2008	19,196	148,504	167,700
Net book value			
At 31 December 2008	15,290	-	15,290
At 31 March 2008	20,219	-	20,219

INSURETY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

9. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	31 December 2008 £	31 March 2008 £
Motor vehicles	-	769

10. Fixed asset investments

	Shares in group undertakings £	Investments in participating interests £	Total £
Cost or valuation			
At 1 April 2008	44,694	133,750	178,444
Additions	1	-	1
Disposals	-	(133,750)	(133,750)
At 31 December 2008	44,695	-	44,695

Participating interests

During the period to 31 December 2008 Insurety Plc sold all shares in Quantum Group Holdings Plc.

11. Debtors

	31 December 2008 £	31 March 2008 £
Due within one year		
Trade debtors	5,234	36,454
Amounts owed by group undertakings	56,921	57,383
Amounts owed by undertakings in which the company has a participating interest	-	208,116
Other debtors	18,763	945,163
Prepayments and accrued income	180,402	223,049
Deferred tax asset (see note 13)	1,354	1,570
	262,674	1,471,735

INSURETY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

12. Creditors: Amounts falling due within one year

	31 December 2008 £	31 March 2008 £
Net obligations under finance leases and hire purchase contracts	-	1,502
Trade creditors	1,124,846	720,006
Amounts owed to group undertakings	5,914	921,424
Amounts owed to other participating interest	2	2
Corporation tax	3,193	259,499
Social security and other taxes	46,736	40,740
Proposed dividend	-	1,658,381
Other creditors	122,489	74,642
Accruals and deferred income	12,960	233,555
	<u>1,316,140</u>	<u>3,909,751</u>

13. Deferred tax asset

	31 December 2008 £	31 March 2008 £
At beginning of period/year	1,570	12,560
Charged for period/year	(216)	(10,990)
	<u>1,354</u>	<u>1,570</u>

The deferred tax asset is made up as follows:

	31 December 2008 £	31 March 2008 £
Accelerated capital allowances	1,570	1,570
Tax losses carried forward	(216)	-
	<u>1,354</u>	<u>1,570</u>

INSURETY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

14. Provisions

	Provisions £
At 1 April 2008	277,871
Additions	71,969
At 31 December 2008	<u>349,840</u>

Clawback

The clawback provision is the element of commissions that are under indemnity, which is calculated as an estimate of commission income earned to date that will subsequently have to be repaid as a result of an insurance policy not running its full term. This estimate is based on projections of future lapse rates based on past experience.

15. Share capital

	31 December 2008 £	31 March 2008 £
Authorised		
50,000 Ordinary shares of £1 each	50,000	50,000
100,000 'A' Ordinary shares of 10p each	10,000	10,000
	<u>60,000</u>	<u>60,000</u>
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

INSURETY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

16. Reserves

	Profit and loss account £
At 1 April 2008	(123,884)
Profit for the period	321,560
	<hr/>
At 31 December 2008	197,676
	<hr/>

17. Reconciliation of movement in shareholders' funds

	31 December 2008 £	31 March 2008 £
Opening shareholders' (deficit)/funds	(73,884)	991,719
Profit for the period/year	321,560	592,778
Dividends (Note 18)	-	(1,658,381)
	<hr/>	<hr/>
Closing shareholders' funds/(deficit)	247,676	(73,884)
	<hr/>	<hr/>

18. Dividends

	2008 £	2008 £
Dividends paid on equity capital	-	1,658,381
	<hr/>	<hr/>

19. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £3,544 (2008: £330,576).

INSURETY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

20. Operating lease commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	31 December	31 March	31 December	31 March
	2008	2008	2008	2008
	£	£	£	£
Expiry date:				
Within 1 year	52,814	5,000	6,909	7,911
Between 2 and 5 years	9,000	53,962	35,727	38,323

21. Related party transactions

At 31 December 2008 the company was owed £16,395 (2008: ££446,216) by C Bell.

At 31 December 2008 the company was owed £nil (2008: £323,641) by Limousine Sales (European) Limited, a company in which C Bell is a shareholder. Insurety Plc was owed £nil (2008: £67,147) by Bell Denning LLP in which C Bell is a partner. These amounts are included within other debtors.

22. Ultimate parent undertaking and controlling party

The ultimate parent company is April Group of Lyon, France. Published consolidated accounts are available at 83 - 85 Bd Vivier Merle, 69487 Lyon Cedex 03 France.

Due to the ultimate parent company preparing consolidated accounts to 31 December 2008 exemption from preparing consolidated accounts for Insurety Plc and subsidiaries has been taken.

23. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Insurety (Ireland) Ltd	Ireland	100	Sale of insurance products
Insurety Corporate Services Limited	England & Wales	100	Sale of insurance products
Insurety (UK) Limited	England & Wales	100	Dormant
Capital Homecare Ltd	England & Wales	100	Dormant
Capital Healthcare (Uk) Ltd	England & Wales	100	Dormant
Capital Healthcare Insurance Services Ltd	England & Wales	100	Dormant