

**MOTOR INSURERS' INFORMATION CENTRE**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

Registered Number · 3682840



**Moore Stephens LLP**  
Chartered Accountants  
St Paul's House  
Warwick Lane  
London  
EC4M 7BP

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**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

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**MOTOR INSURERS' INFORMATION CENTRE****BOARD OF DIRECTORS**

The Directors of the company at the end of the year were as follows

***Executive Directors***

A West	Chief Executive	Motor Insurers' Bureau	Appointed 14 04 2003
B Louisy	Finance Director	Motor Insurers' Bureau	Appointed 09 08 2000

***Company Secretary***

B Louisy

**DIRECTORS' RESIGNATIONS**

Directors resigning from the company during the year were as follows

***Executive Directors***

R Snook	Motor Insurers' Bureau	27 01 2006
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***Non-Executive Directors***

S Machell	Norwich Union	31 03 2006
S Maddock	Royal & Sun Alliance	31 03 2006
M Capewell	HSBC Insurance	31 03 2006
F-X Boisseau	Groupama	31 03 2006
K Morris	Sabre Insurance	31 03 2006
K Lotts	RBS Insurance	31 03 2006
J Jacobs	ABI	31 03 2006
P Richmond	Legal & General	31 03 2006
M Cliff	AXA Insurance	31 03 2006

## **MOTOR INSURERS' INFORMATION CENTRE**

### **CHIEF EXECUTIVE'S STATEMENT**

#### **Formation of the Motor Insurers' Information Centre**

The Motor Insurers' Information Centre (MIIC) was formed on 8 December 1998 as a wholly owned subsidiary of The Motor Insurers' Bureau (MIB), its initial function being to oversee the creation of an industry-wide Motor Insurance Database (MID) for the use of the Police, insurers, MIIC and MIB. The MID provides a key tool in the fight against uninsured driving, and MIIC is also the UK's designated Information Centre as required by the EU Fourth Motor Insurance Directive. MIIC has been established with the support of the whole motor insurance industry as represented by MIB, ABI and LMA (formerly LMUA), and it continues to work with the support of the Home Office, the DfT and Police Forces nationwide.

Following the Board's decision in September 2005, the hive up of MIIC's database operations into MIB was effected in 2006. All MIIC's assets were transferred to MIB as at 1 January 2006. MIIC continued to trade until 30 June 2006. The database operations of MIIC were transferred to MIB from 1 July 2006 and continued its activities as a division within MIB.

#### **Review of the Year**

The key focus for 2006 has been the delivery of the first year element of the two year "Fit For Purpose" programme aimed at ensuring the industry significantly improves the completeness and timeliness of data on the MID. New MID data supply targets were agreed with the DfT such that by 1 January 2008 the following would be achieved:

- 95% of MID 1 policies (mainly private cars) within 7 days
- 95% of MID 2 policies (mainly fleet and motor trade) within 14 days
- 95% of MID 2 vehicles (mainly fleet and motor trade) within 21 days

The challenges involved in focusing and motivating the whole motor insurance industry cannot be underestimated. With the substantial increase in our efforts to direct attention on the MID, coupled with the significant increase in support of all involved, I am pleased to be able to report that we are ahead of schedule in respect of most of our plans as we move into 2007. However, we do have concerns regarding the ability to achieve the required improvement in the supply of commercial fleet and motor trade vehicle data and this will be a key focus for 2007. A more radical approach is required in order to be successful here and we are looking at ways of creating a demand from policyholders to ensure their data is on the MID together with a mechanism for people to check the current status.

The enforcement authorities continue to make full use of the MID in their efforts to combat the level of uninsured driving. Their confidence and support continues to grow with an increase in Police enquiry volumes for the year of some 67% to a level in excess of 25 million and approaching an annualised figure of 1 per second. Working with the Department for Transport, DVLA and the Police we successfully completed the development of a data source, specifically for use with ANPR technology. The ability to proactively identify potentially uninsured vehicles using this method has proved hugely effective with over 50,000 vehicles being seized by the Police in 2006 and some 40% of them being crushed after no proof of insurance was given.

Autumn saw the provision of a pilot helpline service to the Police aimed at providing a single number to contact to clarify issues whilst "at the roadside". This proved very effective, not to say popular, with the Police and will become a permanent service in 2007.

Underpinning the challenge to improve MID data quality and time to supply has been the successful renegotiation and renewal of the contract with Experian in September 2006 to maintain the MID on our behalf for a further five years. Considerable improvements in performance and service levels were achieved as well as substantial cost savings. This and the improved utilisation and confidence in the MID by all stakeholders are clear indications that the MID is delivering a quality and valued service. We must not, however, rest on our laurels if we are to improve on the early indications of a reducing incidence of uninsured driving.

A West

Date 3 May 2007



## **MOTOR INSURERS' INFORMATION CENTRE**

### **DIRECTORS' REPORT**

The Board present their Report and the Audited Accounts of Motor Insurers' Information Centre for the year ended 31 December 2006

#### **STATUS OF COMPANY AND INCORPORATION**

The company was incorporated on 8 December 1998 as a Company Limited by Guarantee, without a share capital

#### **ACTIVITIES**

The principal activities of the company which commenced on 8 December 1998 are

- (a) to take such action as the Centre shall determine to assist the victims of motor accidents who are unable to obtain satisfaction elsewhere, and
- (b) to establish a database and information centre to record details of motor insurers and their representatives and insured motorists and vehicles and sources of assistance anywhere in the world which may assist both the making of claims and in reducing the number of uninsured drivers

#### **REIMBURSEMENT OF EXPENDITURE**

The Directors continue to confirm that total expenditure of the Centre is reimbursed by contributions received from Motor Insurers' Bureau, its parent and sole member

The accounts show that the company has neither made a profit nor incurred a loss in the year to 31 December 2006

#### **FINANCIAL POSITION AND FUTURE PROSPECTS**

Following the Board's decision in September 2005, the hive up of MIIC's database operations into MIB was effected in 2006. All MIIC's assets were transferred to MIB as at 1 January 2006. MIIC continued to trade until 30 June 2006. The database operations of MIIC were transferred to MIB from 1 July 2006 and continued its activities as a division within MIB. MIIC has not traded since 30 June 2006 and there are no plans to trade for the foreseeable future.

#### **DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

**MOTOR INSURERS' INFORMATION CENTRE****DIRECTORS' REPORT (continued)****DIRECTORS**

The Directors at the year end and signing the report are

A West                      Chief Executive

B Louisy                    Finance Director

So far as each of the persons who are Directors at the time of this report are aware there is no relevant audit information of which the Centre's auditors are unaware and the Directors confirm that they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Centre's auditors are aware of that information

No Director has any service contract with the Centre

No Director during the financial year had a material interest in any contract significant to the Centre's business

**EMPLOYEES**

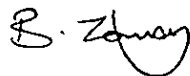
The Centre had nil (2005 16) employees at the balance sheet date

The Centre's policy is to provide employment opportunity and training where possible for disabled people, to care for employees who become disabled and generally to make use of the skills of such employees. The Centre operates an equal opportunities policy

**AUDITORS**

A resolution to re-appoint Moore Stephens LLP as the Company's auditor will be put to the forthcoming Annual General Meeting

By Order of the Board



**B Louisy**

Company Secretary

Registered Office  
Linford Wood House  
6-12 Capital Drive  
Linford Wood  
Milton Keynes  
MK14 6XT

Date      3 May 2007

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**MOTOR INSURERS' INFORMATION CENTRE**

We have audited the financial statements of the Motor Insurers' Information Centre for the year ended 31 December 2006 on pages 7 to 13 which have been prepared under the historical cost convention and 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 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**

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion 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 other transactions is not disclosed

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chief Executive's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information

**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 judgements 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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**MOTOR INSURERS' INFORMATION CENTRE**

**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 2006 and of its result for the year 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



**MOORE STEPHENS LLP**  
Chartered Accountants and Registered Auditor  
St Paul's House  
London  
EC4M 7BP

Date 15 May 2007



**MOTOR INSURERS' INFORMATION CENTRE****INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2006**

	Notes	2006	2005
		£'000	£'000
<b>INCOME</b>			
Member's contributions		3,155	6,462
Enquiries		13	32
Other		81	155
		<hr/>	<hr/>
		3,249	6,649
<b>EXPENDITURE</b>			
Administrative expenses	5	(3,242)	(6,648)
		<hr/>	<hr/>
<b>Net income before taxation</b>		7	1
Taxation	7	(7)	(1)
		<hr/>	<hr/>
<b>Net income after taxation</b>		-	-
		<hr/>	<hr/>

The total expenditure of the Centre is reimbursed by contributions receivable from the Motor Insurers' Bureau, its parent and sole member. The Centre therefore makes neither a profit nor incurs a loss.

There are no recognised gains or losses other than those passing through the Income and Expenditure Account.

All Amounts relate to discontinuing activities.

The notes on pages 10 to 13 form part of these financial statements.

**MOTOR INSURERS' INFORMATION CENTRE****BALANCE SHEET****AS AT 31 DECEMBER 2006**

	Notes	2006 £'000	£'000	2005 £'000	£'000
<b>ASSETS</b>					
<b>Fixed Assets</b>					
Tangible assets	8	-	-	-	6
Investments		-	-	-	-
					6
<b>Current Assets</b>					
<b>Debtors</b>					
Trade debtors		-	-	44	-
Amounts owed by parent company		-	-	435	-
Other debtors		-	-	60	-
Prepayments		-	-	223	-
		-	-	762	-
Cash at bank and in hand		-	-	6	-
			-		768
			-		774
<b>LIABILITIES</b>					
<b>Creditors</b>					
Trade Creditors		-	-	-	588
Corporation tax		-	-	-	-
Accruals and deferred income		-	-	-	132
Other Creditors		-	-	-	54
		-	-	-	774

The notes on pages 10 to 13 form part of these financial statements

The financial statements were approved by the Board of Directors on 3 May 2007

A West

Director

B. Louisy

B Louisy

- Director

**MOTOR INSURERS' INFORMATION CENTRE****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2006**

	Notes	2006 £'000	2005 £'000
<b>OPERATING ACTIVITIES</b>			
Cash from member		3,155	6,210
Other operating cash received		94	187
Cash paid to suppliers		(2,973)	(6,008)
Cash paid to and on behalf of employees		(275)	(389)
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	9	1	-
<b>TAXATION</b>		(7)	(1)
<b>CAPITAL EXPENDITURE</b>			
Purchase of tangible fixed assets		-	(3)
<b>DECREASE IN CASH</b>	10	<u>(6)</u>	<u>(4)</u>

The notes on pages 10 to 13 form part of these financial statements

**MOTOR INSURERS' INFORMATION CENTRE****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2006****1. COMPANY STATUS**

The Centre is a company limited by guarantee and not having a share capital. The liability of the member is limited to £5, in the event of the Centre being wound up.

**2. GROUP RESTRUCTURE AND GOING CONCERN**

Following the Board's decision in September 2005, the hive up of MIIC's database operations into MIB was effected in 2006. All MIIC's assets were transferred to MIB as at 1 January 2006. MIIC continued to trade until 30 June 2006. The database operations of MIIC were transferred to MIB from 1 July 2006 and continued its activities as a division within MIB.

The financial statements have been prepared on a going concern basis as the MIB has agreed to provide adequate funding to enable the company to meet its liabilities as they fall due.

**3 BASIS OF PREPARATION**

These financial statements have been prepared under the historical cost convention and are in accordance with applicable Accounting Standards. In order to ensure that the financial statements, and in particular the income and expenditure account, show a true and fair view, the precise format of the financial statements as prescribed by the Companies Act 1985 has not been adopted. The Companies Act 1985 required the use of profit and loss account as a heading. This is replaced in these financial statements by an income and expenditure account.

**4 ACCOUNTING POLICIES**

- (a) Depreciation of tangible fixed assets is calculated to write off their cost over their estimated useful life at the following annual rates:

Computers - 3 years

- (b) Expenditure on research and development is written off to the Income and Expenditure Account in the year that it is incurred.

- (c) Rentals applicable to operating leases where substantially all of the risks of ownership remain with the lessor are charged to the Income and Expenditure Account as incurred.

- (d) Corporation tax on taxable profits in the period is provided for at the balance sheet date. Full provision is made for deferred taxation as a result of timing differences between recognition of income or expense in the financial statements and their treatment for tax purposes. Liabilities or assets are calculated on the basis of the tax rates at which the timing differences are estimated to reverse.

**5. ADMINISTRATIVE EXPENSES**

Administrative expenses relate to the costs of running the Motor Insurance Database.

**MOTOR INSURERS' INFORMATION CENTRE****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2006**

(continued)

**6 STAFF COSTS**

No director received any emoluments from the Centre

	2006 £'000	2005 £'000
The average number of employees of the company (excluding directors) were		
Administration	8	13
	£'000	£'000
Wages and salaries	229	321
Social security costs	21	29
Pension contribution	25	39
	275	389

**7. TAXATION**

	2006 £'000	2005 £'000
UK corporation tax	7	3
Adjustment in respect of prior periods	-	(2)
	7	1

**Factors affecting the tax charge for the period**

Result on ordinary activities before taxation	-	1
Standard rate of corporation tax of 19% (2005 19%)	-	-
<b>Effects of.</b>		
Non-deductible expenses	7	4
Depreciation in excess of capital allowances	-	(1)
Adjustment in respect of prior periods	-	(2)
	7	1

**Deferred tax**

No provision is made for deferred taxation as there were no material timing differences at the balance sheet date (2005 £Nil)

**MOTOR INSURERS' INFORMATION CENTRE****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2006**

(continued)

**8 TANGIBLE FIXED ASSETS**

	Computers £'000	Total £'000
<b>COST</b>		
At 1 January 2006	37	37
Additions	-	-
Disposals	(9)	(9)
Transfers	(28)	(28)
	<hr/>	<hr/>
At 31 December 2006	-	-
	<hr/>	<hr/>
<b>DEPRECIATION</b>		
At 1 January 2006	31	31
Charge for year	2	2
Disposals	(5)	(5)
Transfers	(28)	(28)
	<hr/>	<hr/>
At 31 December 2006	-	-
	<hr/>	<hr/>
<b>NET BOOK VALUE</b>		
At 31 December 2006	-	-
	<hr/>	<hr/>
At 31 December 2005	6	6
	<hr/>	<hr/>

**9. RECONCILIATION OF OPERATING RESULT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2006 £'000	2005 £'000
Operating result	7	1
Depreciation charges	2	5
Profit on disposal of fixed assets	4	-
(Increase)/decrease in debtors and prepayments	327	(28)
(Increase)/decrease in amounts due from parent company	435	(252)
Increase/(decrease) in creditors	(774)	274
	<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	<b>1</b>	<b>-</b>
	<hr/>	<hr/>

**MOTOR INSURERS' INFORMATION CENTRE****NOTES TO THE FINANCIAL STATEMENTS**

(continued)

10. ANALYSIS OF CHANGES IN CASH DURING PERIOD	2006 £'000	2005 £'000
Balance at 1 January 2006	6	10
Net cash (outflow)	(6)	(4)
Balance at 31 December 2006	-	6

**11. LEASE COMMITMENTS**

At 31 December 2006 MIIC had the following annual commitments under non cancellable operating leases

	Land and Buildings		Other	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Expiry date				
Within one year	-	-	-	-
Between one and five years	-	-	-	3
After more than five years	-	308	-	-

**12. PARENT AND ULTIMATE HOLDING COMPANY**

The company is a wholly owned subsidiary of Motor Insurers' Bureau, a company limited by guarantee, incorporated in Great Britain and registered in England & Wales

**13. RELATED PARTIES**

The company is under the control of its parent company from whom it received the member's contributions