

OCKHAM. COM LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 2005

COMPANY REGISTRATION NUMBER: 03786040



DIRECTORS' REPORT

The directors are pleased to submit their report and the audited financial statements for the year ended 31st December 2005.

REVIEW OF BUSINESS

The Company did not trade during the period, and hence incurred neither a profit nor a loss.

RESULTS AND DIVIDENDS

There was no profit or loss in the year (2004: £nil).

The directors do not recommend the payment of a dividend (2004: £nil).

DIRECTOR

The following have been directors during the period from 1st January 2005 to the date of this report,

- * A J Gibson (Resigned 24 June 2005)
- * I W J Patrick (Appointed 27 June 2005, Resigned 31 March 2006)
- * C D Hill (Appointed 27 June 2005)
- * Director of the ultimate holding company, Highway Insurance Holdings Plc.

The interests of the directors at 31st December 2005 in the share capital of the ultimate holding company are shown in the accounts of that company.

AUDITORS

A resolution for the reappointment of KPMG Audit Plc as auditors will be presented at the forthcoming Annual General Meeting of the Company.

By Order of the Board



Philip Lampshire
Secretary

Highway House
171 Kings Road
Brentwood, Essex
CM14 4EJ
25th May 2006

**STATEMENT OF DIRECTORS' RESPONSIBILITIES OF THE DIRECTORS' REPORT
AND THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF OCKHAM.COM LIMITED

We have audited the financial statements of Ockham.Com Limited for the year ended 31 December 2005 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under 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

As described in the statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

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

Basis of audit opinion

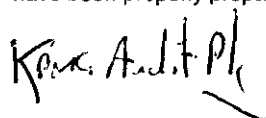
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
1 Canada Square
London
E14 5AG
25th May 2006

PROFIT & LOSS ACCOUNT

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

BALANCE SHEET

As at 31st December 2005

	Note	2005 £	2004 £
CURRENT ASSETS			
Creditors - amounts falling due after more than one year	3	(119,527)	(119,527)
		<hr/>	<hr/>
NET LIABILITIES		(119,527)	(119,527)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called-up share capital	4	2	2
Profit and loss account		(119,529)	(119,529)
		<hr/>	<hr/>
TOTAL SHAREHOLDER'S DEFICIT - EQUITY	5	(119,527)	(119,527)
		<hr/>	<hr/>

These financial statements were approved by the board and signed on the 25th May 2006 by:


C D Hill
Director

NOTES TO THE FINANCIAL STATEMENTS

1. GOING CONCERN

The financial statements have been prepared on the going concern basis as the company's immediate parent undertaking has agreed to meet liabilities as they fall due for a period of at least 12 months from the date these financial statements are approved.

2. ACCOUNTING POLICIES

Accounting convention

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

Taxation

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.

3. CREDITORS - amounts falling due after more than one year

	2005	2004
	£	£
Amounts due to Highway Insurance Holdings Plc	119,527	119,527

Highway Insurance Holdings Plc has agreed not to demand repayment of the amounts due to that company by the Company within the next 12 months.

4. CALLED-UP SHARE CAPITAL

	2005	2004
	£	£
Authorised		
1000 Ordinary £1 shares each	1,000	1,000
Alotted, issued and fully paid		
2 Ordinary £1 shares each	2	2

5. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2005	2004
	£	£
Shareholder's deficit at beginning of the year	(119,527)	(119,527)
Shareholder's deficit at end of the year	(119,527)	(119,527)

6. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in Financial Reporting Standard 8(3) from disclosure of related party transactions with other entities included in the consolidated financial statements of Highway Insurance Holdings Plc.

7. ULTIMATE AND IMMEDIATE PARENT UNDERTAKINGS

The Company's immediate and ultimate holding company, and the smallest and largest holding company for which group accounts are prepared, is Highway Insurance Holdings Plc, a company registered in England and Wales. Copies of that company's financial statements can be obtained from Highway House, 171 Kings Road, Brentwood, Essex, CM14 4EJ.