

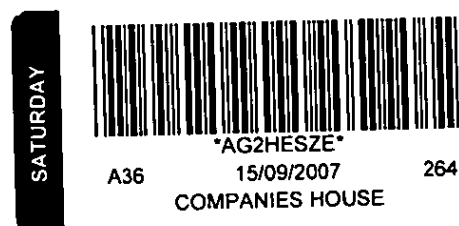
**Crusader Group Holdings Limited
(formerly Halco 1288 Limited)**

Report of the Directors and

Audited Financial Statements

for the Period

23 January 2006 to 30 September 2006



**Crusader Group Holdings Limited
(formerly Halco 1288 Limited)**

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for the Period 23 January 2006 to 30 September 2006**

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**Crusader Group Holdings Limited
(formerly Halco 1288 Limited)**

**Company Information
for the Period 23 January 2006 to 30 September 2006**

DIRECTORS:	S P Edwards R C Bignell M Evans M O'Shaughnessy
SECRETARY:	M Evans
REGISTERED OFFICE:	2nd Floor, UK House 82 Heath Road Twickenham Middlesex TW1 4BW
REGISTERED NUMBER:	5684182 (England and Wales)
AUDITOR:	Grant Thornton UK LLP Byron House Cambridge Business Park Cowley Road Cambridge CB4 0WZ
ACCOUNTANTS:	The Mudd Partnership Lakeview House 4 Woodbrook Crescent Billerica Essex CM12 0EQ

**Crusader Group Holdings Limited
(formerly Halco 1288 Limited)**

**Report of the Directors
for the Period 23 January 2006 to 30 September 2006**

The directors present their report with the financial statements of the company for the period 23 January 2006 to 30 September 2006

INCORPORATION

The company was incorporated on 23 January 2006 and changed its name on 22 March 2006 from Halco 1288 Limited to Crusader Group Holdings Limited. The company acquired its subsidiaries with effect 7 April 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of a holding company

DIRECTORS

The directors during the period under review were

I D McLuskie	- appointed 3 3 06, resigned 01 12 06
S P Edwards	- appointed 8 3 06
M O'Shaughnessy	- appointed 8 3 06
R C Bignell	- appointed 27 6 06
M Evans	- appointed 18 9 06

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

United Kingdom 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 judgements and estimates that are reasonable and prudent,
- 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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken 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

AUDITOR

Grant Thornton UK LLP were appointed auditor of the company during the period. A resolution for their reappointment will be proposed at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

ON BEHALF OF THE BOARD:



M Evans - Director

7 September 2007

**Report of the Independent Auditor to the Shareholders of
Crusader Group Holdings Limited)**

We have audited the financial statements of Crusader Group Holdings Limited for the period ended 30 September 2006 which comprise the profit and loss account, the balance sheet, and notes 1 to 13. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8 and the requirements of the Financial Reporting Standard for Smaller Entities.

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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and 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 Report of the Directors 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 Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2006 and of its loss 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 Report of the Directors is consistent with the financial statements.



GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
CAMBRIDGE

7 September 2007

Crusader Group Holdings Limited
(formerly Hallico 1288 Limited)

Profit and Loss Account
for the Period 23 January 2006 to 30 September 2006

	Notes	Period to 30.09.06 £
TURNOVER		77,190
Administrative expenses		<u>828,217</u>
OPERATING LOSS	2	(751,027)
Interest receivable and similar income		<u>1,764</u>
		(749,263)
Interest payable and similar charges		<u>28,815</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(778,078)
Tax on loss on ordinary activities	3	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION	10	<u>(778,078)</u>

All activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period

The accompanying accounting policies and notes form part of these financial statements

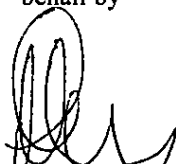
Crusader Group Holdings Limited
(formerly Hallco 1288 Limited)

Balance Sheet
30 September 2006

	Notes	£	30.09.06 £
FIXED ASSETS			
Intangible fixed assets	4		2,810,229
Investments	5		<u>984,783</u>
			3,795,012
CURRENT ASSETS			
Debtors	6	3	
Cash at bank		<u>100,664</u>	
		100,667	
CREDITORS			
Amounts falling due within one year	7	<u>1,327,171</u>	
NET CURRENT LIABILITIES			<u>(1,226,504)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,568,508
CREDITORS			
Amounts falling due after more than one year	8		<u>3,346,583</u>
NET LIABILITIES			<u>(778,075)</u>
CAPITAL AND RESERVES			
Called up share capital	9	3	
Profit and loss account	10		<u>(778,078)</u>
SHAREHOLDERS' FUNDS			<u>(778,075)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Board of Directors on 7 September 2007 and were signed on its behalf by


M Evans - Director

The accompanying accounting policies and notes form part of these financial statements

**Crusader Group Holdings Limited
(formerly Halco 1288 Limited)**

**Notes to the Financial Statements
for the Period 23 January 2006 to 30 September 2006**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

Turnover is the total amount receivable by the company for services provided, excluding value added tax. Revenue is recognised once the services have been provided.

Consolidation

In the opinion of the directors the company and its subsidiary undertakings comprise a small group. The group has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	-	5 years
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Investments

Investments are included at cost less amounts written off.

Taxation

Current tax, including corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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.

Crusader Group Holdings Limited
(formerly Hallico 1288 Limited)

Notes to the Financial Statements - continued
for the Period 23 January 2006 to 30 September 2006

1 ACCOUNTING POLICIES - continued

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability, then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2 OPERATING LOSS

The operating loss is stated after charging	Period
	30.09.06
	£
Goodwill amortisation	495,923
Impairment charge	235,080
Auditors' remuneration	<u>25,000</u>
Directors' emoluments and other benefits etc	<u>63,333</u>

3 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period.

4 INTANGIBLE FIXED ASSETS

The company	Purchased Goodwill £
Cost	
At 23 January 2006	-
Additions	<u>3,306,152</u>
At 30 September 2006	3,306,152
Amortisation	
At 23 January 2006	-
Provided in the year	<u>495,923</u>
At 30 September 2006	<u>495,923</u>
Net book amount at 30 September 2006	<u>2,810,229</u>

Crusader Group Holdings Limited
(formerly Halco 1288 Limited)

Notes to the Financial Statements - continued
for the Period 23 January 2006 to 30 September 2006

4 INTANGIBLE FIXED ASSETS - continued

Purchased goodwill included above relates to the following

	Date of acquisition	Period of amortisation	Goodwill at original cost £
Transfer of assets			
Centurion Partnership	April 2006	5 years	3,306,152

5 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
Additions and at 30 September 2006	<u>1,219,863</u>
IMPAIRMENT PROVISION	
Charge for the period and at 30 September 2006	<u>235,080</u>
NET BOOK VALUE	
At 30 September 2006	<u><u>984,783</u></u>

This includes capitalised legal fees of £82,478

At 30 September 2006 the company held more than 20% of the ordinary share capital of the following undertaking

	Country of incorporation	Proportion held	Nature of business	Capital and reserves £	Profit/ (loss) for the year £
Centurion Uninsured Loss Recovery Services Limited	England and Wales	100%	Uninsured loss recovery services	150,259	216,979
Valentine Car Hire Limited	England and Wales	100%	Hire vehicles	198,772	(1,328)
Accident & Equity Limited	England and Wales	100%	Accident management	70,814	70,812
Crusader Uninsured Loss Recovery Services Limited	England and Wales	100%	Uninsured loss recovery services	173,438	293,973
Solicitors Solutions Limited	England and Wales	100%	Dormant	1	-

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity

Crusader Group Holdings Limited
(formerly Halco 1288 Limited)

Notes to the Financial Statements - continued
for the Period 23 January 2006 to 30 September 2006

5 FIXED ASSET INVESTMENTS - continued

The financial period ends of Valentine Car Hire Limited and Solicitors Solutions Limited do not end with that of the company due to the timing of the group purchase. The financial period ends in respect of these undertakings were as follows

Valentine Car Hire Limited	30 April 2006
Solicitors Solutions Limited	31 December 2005

From 2007 all group companies will have a period end of 31 December

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Called up share capital not paid	£ <u>3</u>
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7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.09.06
	£
Amounts owed to group undertakings	200,000
Social security and other taxes	42,620
Other creditors	<u>1,084,551</u>
	<u>1,327,171</u>

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.09.06
	£
Amounts owed to group undertakings	2,435,242
Other creditors	523,841
Directors' current accounts	<u>387,500</u>
	<u>3,346,583</u>

9 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	£
30.09.06			
1,000	Ordinary	£1	<u>1,000</u>
Allotted, issued and unpaid Number	Class	Nominal value	£
3	Ordinary	£1	<u>3</u>

3 ordinary shares of £1 each were allotted. These shares were issued at par (£3 aggregate nominal value) during the period, but were still unpaid as at the period end

Crusader Group Holdings Limited
(formerly Hallico 1288 Limited)

Notes to the Financial Statements - continued
for the Period 23 January 2006 to 30 September 2006

10 RESERVES

	Profit and loss account £
Loss for the period	(778,078)
At 30 September 2006	<u>(778,078)</u>

11 ACQUISITIONS

Crusader Uninsured Loss Recovery Services Limited

On 7 April 2006 the company acquired 70% of Crusader Uninsured Loss Recovery Services Limited for a consideration of £392,533. The company acquired the remaining 30% of this company by way of a hive up from Valentine Car Hire Limited for £200,000.

Solicitor Solutions Limited

On 31 July 2006 the company acquired 100% of Solicitor Solutions Limited for a consideration of £110,000.

Valentine Car Hire Limited

In April 2006 the company acquired 100% of Valentine Car Hire Limited for a consideration of £433,582.

Accident & Equity Limited

On 24 August 2006 the company acquired 100% of Accident & Equity Limited for a consideration of £2.

Centurion Partnership

On 7 April 2006 the company acquired the trade, assets and liabilities of Centurion Partnership for a consideration of £2,103,076.

The assets and liabilities of the acquired items were included within the company at their fair values at the date of acquisition.

The assets and liabilities of Centurion Partnership acquired were as follows:

	Book Value and fair value £
Fixed assets	
Tangible fixed assets	4,083
Current assets	
Other debtors	40,086
Creditors	
Other creditors	(1,247,245)
Net liabilities	(1,203,076)
Goodwill	3,306,152
	<u>2,103,076</u>
Satisfied by	
Cash	1,050,000
Deferred consideration	1,053,076
	<u>2,103,076</u>

Crusader Group Holdings Limited
(formerly Hallico 1288 Limited)

Notes to the Financial Statements - continued
for the Period 23 January 2006 to 30 September 2006

11 ACQUISITIONS - continued

The trade, assets and liabilities of Centurion Partnership were subsequently all transferred into Centurion Uninsured Loss Recovery Services Limited. 100% of Centurion Uninsured Loss Recovery Services Limited was acquired for £1,000.

12 TRANSACTIONS WITH DIRECTORS

Centurion Uninsured Loss Recovery Service

The trade, assets and liabilities of Centurion Uninsured Loss Recovery Service partnership was purchased by Crusader Group Holdings for £2,103,076.

R C Bignell was a partner of Centurion Uninsured Loss Recovery Service.

Centurion Uninsured Loss Recovery Service Limited

R C Bignell, M O'Shaughnessy and M Evans are common directors.

During the period an inter company loan existed and at the end of the period £1,204,076 was owed by Crusader Group Holdings Limited.

Crusader Uninsured Loss Recovery Service Limited

Crusader Uninsured Loss Recovery Service Limited was purchased by Crusader Group Holdings Limited for £392,533.

R C Bignell, M O'Shaughnessy and M Evans are common directors.

During the period the company charged management charges of £77,190 to Crusader Uninsured Loss Recovery Service Limited.

During the period an inter company loan existed and at the end of the period £1,231,166 was owed by Crusader Group Holdings Limited.

Solicitors Solutions Limited

S P Edwards was the sole director and shareholder of Solicitors Solutions Limited, which has been purchased by Crusader Group Holdings Limited for £110,000.

On 6 April 2006, a loan of £400,000 was provided by S P Edwards. This was the maximum amount outstanding during the period. Repayments totalling £12,500 were made during the period. During the period interest of £28,202 was paid by Crusader Group Holdings Limited. The balance outstanding at the period end was £387,500.

13 POST BALANCE SHEET EVENTS

In April 2007, 100% of Equi-Medical Reports Limited was purchased for £175,000 plus 4% of the ordinary shares of Crusader Group Holdings Limited.

Crusader Group Holdings Limited
(formerly Hallco 1288 Limited)

Profit and Loss Account
for the Period 23 January 2006 to 30 September 2006

		Period to 30.09.06
	£	£
Turnover		
Management fees		77,190
Other income		
Deposit account interest		<u>1,764</u>
		78,954
Expenditure		
Directors' salaries	63,333	
Directors' social security	6,805	
Sundry expenses	2	
Amortisation	495,923	
Accountancy	2,050	
Auditor's remuneration	25,000	
Impairment charge	<u>235,080</u>	
		<u>828,193</u>
		(749,239)
Finance costs		
Bank charges	24	
Bank interest	13	
Loan	<u>28,802</u>	
		<u>28,839</u>
NET LOSS		<u>(778,078)</u>

8)

This page does not form part of the statutory financial statements