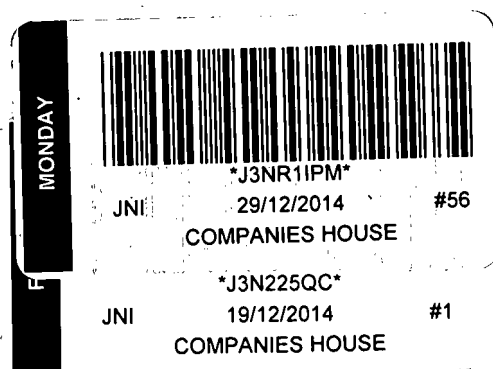
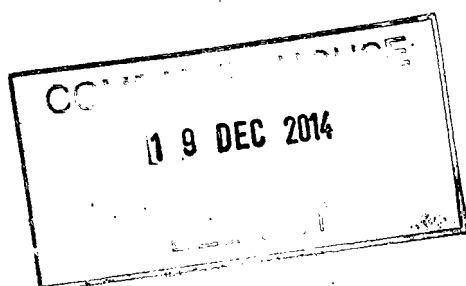


Abbey Insurance Brokers Limited

Report and Financial Statements

31 March 2014



Directors

D G Storey
G H Martin (resigned 31 July 2014)
A E A McKinley
I Bond
P R P Hanna
I Johnston (resigned 3 October 2014)
G H Storey
T Shaw
J McMichael
R K Alderdice (resigned 28 February 2014)
J Davidson (appointed 15 May 2014)

Secretary

G H Martin (resigned 31 July 2014)

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Bankers

Danske Bank Limited
PO Box 183
Donegall Square West
Belfast
BT1 6JS

Solicitors

Kearney Sefton
Franklin House
12 Brunswick Street
Belfast BT2 7GE

Registered Office

10 Governors Place
Carrickfergus
County Antrim BT38 7BN

Registered No. NI053754

Strategic report

The directors present their report for the year ended 31 March 2014.

Review of the business

The directors are committed to long term creation of shareholder value by increasing the Company's market share through a combination of organic growth and acquisitions. The results reported for 2014 are very good despite the sector remaining highly competitive. While the incoming year is likely to continue to be very challenging, early results are satisfactory and the directors expect another year of good progress.

Key performance indicators

The Company's key performance indicators are as follows:

	2014	2013
Turnover	£9,525,000	£10,269,000
Profit before taxation	£367,000	£1,418,000
Operating profit as a % of turnover	8.2%	20.2%
EBITDA	£1,488,000	£2,803,000
Average number of employees	196	201
Operating profit per staff member	£3,950	£10,300

Principal risks and uncertainties

Performance in the sector is affected by general economic conditions and specific sectoral factors associated with the worldwide insurance market. The board is aware of competitor activity, market trends and forecasts and customer requirements. Insurance capacity availability and pricing are other sectoral risks faced.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit their adverse effects on its financial performance.

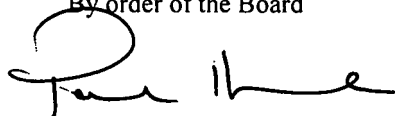
Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to individual customers is subject to a limit, which is reassessed regularly by the board.

Liquidity risk

The Company's parent group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure that it has sufficient available funds for operations and planned expansions.

By order of the Board



P R P Hanna

Director

Date: 20 NOVEMBER 2014

Directors' Report

The directors present their report for the year ended 31 March 2014.

Results and dividends

The profit for the year after taxation amounted to £367,000 (2013 – profit of £1,418,000). The directors have declared a final dividend £1,000,000 (2013 – £2,000,000).

Future developments

The directors are committed to long term creation of shareholder value by increasing the Company's market share through a combination of organic growth and acquisitions. Successful implementation of this growth strategy has resulted in a good EBITDA reported for 2014, despite the sector remaining highly competitive. While the incoming year is likely to continue to be very challenging, early results are satisfactory and the directors expect another year of good progress.

Going Concern

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Company annual report and accounts.

Directors

The directors who served the Company during the year were as shown on page 1.

Political and charitable contributions

The Company made charitable donations amounting to £17,000 (2013 – £18,000) during the year. No political donations were made during the year.

Health and safety

The Company is committed to achieving the highest practicable standards in health and safety management and strives to make all sites and offices safe environments for employees and customers alike.

Environment

The Company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Human resources

The Company's most important resource is its people; their knowledge and experience is crucial to meeting customer requirements. Retention of key staff is critical and the Company has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the Company.

Directors' Report (continued)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



D G Storey
Director

Date: 20 NOVEMBER 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 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 judgments 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 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.

Independent auditors' report

to the members of Abbey Insurance Brokers Limited

We have audited the financial statements of Abbey Insurance Brokers Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21. 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).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

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 Strategic and the Directors' Report 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 2014 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

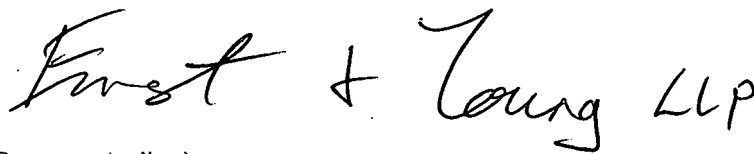
Independent auditors' report

to the members of Abbey Insurance Brokers 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.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Keith M Jess (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Belfast

Date: 20 November 2014

Profit and loss account

for the year ended 31 March 2014

	Notes	2014 £000	2013 £000
Turnover	2	9,525	10,269
Net operating expenses	3	(8,750)	(8,194)
Operating profit	3	775	2,075
Interest receivable and similar income	4	4	4
Interest payable and similar charges	6	(124)	(142)
Profit on ordinary activities before taxation		655	1,937
Tax charge	7	(288)	(519)
Profit for the financial year	16	367	1,418

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the year ended 31 March 2014

There are no recognised gains or losses other than the profit attributable to the shareholders of the Company of £367,000 in the year ended 31 March 2014 (2013 – profit of £1,418,000).

Balance sheet

at 31 March 2014

Registered No. NI53754

	Notes	2014 £000	2013 £000
Fixed assets			
Intangible assets	8	7,245	7,875
Tangible assets	9	222	219
Investments	10	—	—
		<u>7,467</u>	<u>8,094</u>
Current assets			
Debtors	11	7,020	11,968
Cash at bank and in hand		<u>3,372</u>	<u>593</u>
		10,392	12,561
Creditors: amounts falling due within one year	12	(5,058)	(7,209)
Net current assets		<u>5,334</u>	<u>5,352</u>
Total assets less current liabilities		12,801	13,446
Creditors: amounts falling due after more than one year	13	(3,610)	(3,622)
Net assets		<u>9,191</u>	<u>9,824</u>
Capital and reserves			
Called up share capital	15	8,100	8,100
Profit and loss account	16	1,091	1,724
Shareholders' funds	17	<u>9,191</u>	<u>9,824</u>



Director

D G Storey

Date:

20 NOVEMBER 2014

Notes to the financial statements

at 31 March 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Statement of cash flows

The Company is exempt from preparing a statement of cash flows under FRS 1(revised) on the grounds that the Company is a wholly owned subsidiary undertaking and its parent produces a group statement of cash flows.

Turnover

Income relating to insurance broking is brought into account at the later of the policy inception date or when the policy placement has been completed and confirmed. Fees and other income receivable are recognised in the period to which they relate and when they can be measured with reasonable certainty.

Instalment interest is charged to the period to which it relates.

Goodwill

Purchased goodwill is eliminated by amortisation through the profit and loss account over its useful economic life. The useful economic life of the assets shown in note 8 has been estimated by the directors at 20 years for the goodwill on the purchase of the trade and assets of Abbey Insurance Brokers and 3 years for the goodwill on other acquisitions.

The carrying values of goodwill are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost, or revaluation, of tangible fixed assets over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

Office furniture and equipment	–	20% straight line
Motor vehicles	–	25% reducing balance

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Fixed asset investments are stated at their purchase cost less any provision for diminution in value. Investment income is included in the profit and loss account on an accruals basis.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Deferred taxation

Deferred taxation 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 right to pay less or to receive more, tax, with the following exception:

- 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.

Notes to the financial statements

at 31 March 2014

1. Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. All assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or the exchange rate of a related foreign exchange contract where appropriate. The resulting gain or loss is dealt with in the profit and loss account.

Leasing and hire purchase commitments

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases) the assets are treated as if they had been purchased outright. The corresponding leasing commitments are shown as obligations to the lessor. Depreciation is charged to the profit and loss account on a straight line basis over the shorter of the lease terms and the useful lives of equivalent owned assets. Lease payments are treated as consisting of capital and interest elements and the interest is charged to revenue in proportion to the reducing capital element outstanding.

Rentals under operating leases are charged to revenue as incurred.

Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered scheme. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Turnover

Income relates to the Company's principal activity which is carried out in the United Kingdom.

3. Operating profit

This is stated after charging/(crediting):

	2014 £000	2013 £000
Auditors' remuneration – audit services	20	19
– non audit services	6	6
Depreciation of owned fixed assets (note 9)	70	90
Depreciation of assets held under finance leases and hire purchase contracts (note 9)	13	8
Profit on disposal of fixed assets	2	2
Operating lease rentals – other	11	22
Goodwill amortisation (note 8)	630	630

Net operating expenses

	2014 £000	2013 £000
Staff costs (note 5)	4,774	4,674
Depreciation (note 9)	83	98
Profit on disposal of fixed assets	2	2
Other operating expenses	3,891	3,420
	<u>8,750</u>	<u>8,194</u>

Notes to the financial statements

at 31 March 2014

4. Directors' remuneration

	2014 £000	2013 £000
Remuneration	691	646
Company contributions paid to defined contribution pension schemes	7	5

Retirement benefits are accruing to two (2013 – three) director under a defined contribution scheme.

	2014 £000	2013 £000
Highest paid director:		
Aggregate remuneration	144	144

Notes to the financial statements

at 31 March 2014

5. Staff costs

	2014 £000	2013 £000
Wages and salaries	4,263	4,201
Social security costs	407	399
Other pension costs	104	74
	<u>4,774</u>	<u>4,674</u>

The average monthly number of employees, including directors, during the year was made up as follows:

	No.	No.
Administration	66	66
Sales	130	135
	<u>196</u>	<u>201</u>

6. Interest payable and similar charges

	2014 £000	2013 £000
Bank charges and fees	62	51
Preference share dividends paid	9	9
On hire purchase and finance leases	1	1
Credit card charges	52	81
	<u>124</u>	<u>142</u>

Notes to the financial statements

at 31 March 2014

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2014 £000	2013 £000
Current tax:		
UK corporation tax on the profit for the year	241	494
Adjustment to tax of prior years	(7)	1
Group relief payable	43	29
Total current tax (note 7(b))	277	524
Deferred tax:		
Accelerated capital allowances and other timing differences	11	(5)
Total deferred tax	11	(5)
Tax on profit on ordinary activities	288	519

(b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 23% (2013 – 24%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	655	1,937
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 – 24%)	151	465
Effects of:		
Expenses not deductible for tax purposes	144	53
Capital allowances in advance of depreciation	(11)	5
Adjustments to tax charge in respect of previous years	(7)	1
Current tax for the year (note 7(a))	277	524

(c) Deferred tax asset

	£000
At 1 April 2013	31
Charge to profit and loss account	(11)
At 31 March 2014	20

Deferred taxation is in relation to fixed asset timing differences and will be utilised within one year.

Notes to the financial statements

at 31 March 2014

8. Intangible fixed assets

	<i>Goodwill</i> £000
Cost:	
At 1 April 2013 and 31 March 2014	14,092
Aggregated amortisation:	
At 1 April 2013	6,217
Charge for the year	630
At 31 March 2014	6,847
Net book value:	
At 31 March 2014	7,245
At 1 April 2013	7,875

9. Tangible fixed assets

	<i>Office furniture and equipment</i> £000	<i>Motor vehicles</i> £000	<i>Total</i> £000
Cost:			
At 1 April 2013	954	162	1,116
Additions	85	5	90
Disposals	–	(16)	(16)
At 31 March 2014	1,039	151	1,190
Accumulated depreciation:			
At 1 April 2013	815	82	897
Charge for the year	63	20	83
Disposals	–	(12)	(12)
At 31 March 2014	878	90	968
Net book value:			
At 31 March 2014	161	61	222
At 1 April 2013	139	80	219

The net book value of fixed assets includes £41,000 (2013 – £47,000) in respect of assets held under hire purchase and finance lease agreements.

Notes to the financial statements

at 31 March 2014

10. Investments

	<i>Unlisted investments £000</i>
Cost:	
At 1 April 2013 and 31 March 2014	<u>110</u>
Amount written off:	
At 1 April 2013 and 31 March 2014	<u>(110)</u>
Net book value:	
At 1 April 2013 and 31 March 2014	<u><u>–</u></u>

11. Debtors

	<i>2014 £000</i>	<i>2013 £000</i>
Debtors in respect of insurance transactions	4,881	10,751
Prepayments and accrued income	856	1,186
Amounts due from joint venture enterprises	1,263	–
Deferred tax asset (note 7(c))	20	31
	<u>7,020</u>	<u>11,968</u>

12. Creditors: amounts falling due within one year

	<i>2014 £000</i>	<i>2013 £000</i>
Obligations under hire purchase and finance lease agreements (note 14)	15	15
Creditors in respect of insurance transactions	4,463	4,890
Amounts owed to group companies	–	1,655
Corporation tax	89	218
Other tax and social security costs	118	113
Sundry creditors	128	118
Accruals and deferred income	245	200
	<u>5,058</u>	<u>7,209</u>

Notes to the financial statements

at 31 March 2014

13. Creditors: amounts falling due after more than one year

	2014 £'000	2013 £'000
Obligations under hire purchase and finance lease agreements (note 14)	10	22
Redeemable cumulative preference shares of £1 each	3,600	3,600
	<u>3,610</u>	<u>3,622</u>

Preference share capital

	No.	2014 £000	No.	2013 £000
<i>Allotted, called up and fully paid</i>				
Redeemable cumulative preference shares of £1 each	3,600,000	<u>3,600</u>	3,600,000	<u>3,600</u>

The redeemable cumulative preference shares carry a fixed preferential dividend at the rate of 0.25% below Bank of England base rate per annum, payable half yearly in arrears on 30 June and 31 December. On a winding up the holders have priority before all other classes of shares to receive repayment of capital plus any arrears of dividend. The holders have no voting rights. The shares are redeemable at any time on giving the Company not less than two years notice.

14. Obligations under finance leases and hire purchase contracts

	2014 £000	2013 £000
Future minimum payments under finance lease and hire purchase obligations:		
Within one year	15	15
In two to five years	10	22
	<u>25</u>	<u>37</u>

15. Issued share capital

	No.	2014 £000	No.	2013 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	8,100,100	<u>8,100</u>	8,100,100	<u>8,100</u>

Notes to the financial statements

at 31 March 2014

16. Movements on reserves

	<i>Profit and loss account</i>
	<i>£000</i>
At 1 April 2012	2,306
Profit for the year	1,418
Dividend paid	(2,000)
At 1 April 2013	1,724
Profit for the year	367
Dividend paid	(1,000)
At 31 March 2014	1,091

17. Reconciliation of shareholders' funds

	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
Profit for the financial year	367	1,418
Ordinary dividends paid	(1,000)	(2,000)
Movement in shareholders' funds	(633)	(582)
Opening shareholders' funds	9,824	10,406
Closing shareholders' funds	9,191	9,824

18. Other financial commitments

At 31 March 2014 the Company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2014</i>	<i>2013</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire:		
Within one year	-	11
In two to five years	-	-
Over five years	26	11

19. Contingent liabilities

The Company has guaranteed the bank borrowings of all companies within the Prestige Insurance Holdings Limited group.

at 31 March 2014

20. Related party transactions

The directors are related parties of the Company as defined by Financial Reporting Standard 8 'Related party disclosures' (FRS 8). The Company's parent undertaking is Prestige Insurance Holdings Limited, which is registered in Northern Ireland.

The Company has taken advantage of the exemption in FRS 8, para 3c not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.

Mr G H Storey and Mr D G Storey, directors of the Company, are also directors of and hold shares in, JEM Investments Limited. During the year Abbey Insurance Brokers Limited incurred a rental charge of £75,000 (2013 – £75,000) from JEM Investments Limited.

Mr D G Storey, a director of the Company, is also a partner in Reliable Car Hire. During the year Abbey Insurance Brokers Limited incurred a rental charge of £6,000 (2013 – £6,000) from Reliable Car Hire.

During the year Abbey Insurance Brokers Limited incurred a rental charge of £49,000 (2013 – £49,000) from Mr G H Storey and Mr DG Storey, directors in the Company.

During the year Abbey Insurance Brokers Limited placed £819,000 (2013 – £670,000) of gross insurance premiums with Octane Underwriting Limited, a fellow subsidiary of the Prestige Insurance Holdings Limited Group. At the 31 March 2014, £387,000 (2013 – £20,000) was due to Octane Underwriting Limited.

21. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Prestige Insurance Holdings Limited, a Company incorporated in Northern Ireland.

Copies of the group financial statements of Prestige Insurance Holdings Limited can be obtained from 10 Governors Place, Carrickfergus, County Antrim, BT38 7BN.