

**EIBL MANAGEMENT LIMITED
(FORMERLY EQUITY BROKING MANAGEMENT
LIMITED)**

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 31 DECEMBER 2009

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EIBL MANAGEMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 2009

DIRECTORS	P J Halpin A P Clare
SECRETARY	S A Hargreaves
REGISTERED OFFICE	6 Great Marlborough Street Manchester M1 5SW
REGISTERED AUDITORS	Ernst & Young LLP 100 Barbirolli Square Manchester M2 3EY
REGISTERED NUMBER	616245 England

EIBL MANAGEMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 2009

CONTENTS

	Page
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	2
INDEPENDENT AUDITORS' REPORT	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
NOTES TO THE FINANCIAL STATEMENTS	6

EIBL MANAGEMENT LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the 18 month period ended 31 December 2009

DIRECTORS

The directors who served during the period were as follows

N Potts	(Resigned 8 January 2009)
N A Utley	(Resigned 8 January 2009)
A Clare	(Appointed 8 January 2009)
P Halpin	(Appointed 8 January 2009)

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Company is that of an intermediate holding company

On 10 December 2008 the Company sold the entire share capital of Equity Red Star (Accident & Health) Limited, Brokersure co uk Limited, Equity Claims Limited and HML Marketing Limited to Equity Insurance Holdings Limited for consideration totalling £10,390,167 On 8 January 2009, the Company was acquired by Swinton Group Limited, a subsidiary of MMA IARD Assurances Mutuelles, a company incorporated in France

RESULTS AND DIVIDENDS

The results for the period ended 31 December 2009 are set out on page 4 No dividends were paid during the period (2008: £nil)

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the Company's dormant status means that it does not face any significant risks

DISCLOSURE OF INFORMATION TO 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 group'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

KPMG Audit Plc resigned as auditors during the period, and Ernst & Young LLP were appointed in their place Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

By order of the board



A P CLARE

Director

24th June 2010

EIBL MANAGEMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 and loss account 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 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 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.

EIBL MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EIBL MANAGEMENT LIMITED

We have audited the financial statements of EIBL Management Limited for the period ended 31 December 2009 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 11. 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 auditors

As explained more fully in the Directors' Responsibilities Statement (set out on page 2), 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 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 (APB'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.

Opinion on 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 December 2009 and of its result for the period 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.

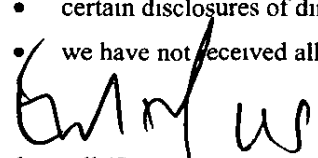
Opinion on other matter prescribed by the Companies Act 2006

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

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 company 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.


Nigel Pickersgill (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

14 June 2010

EIBL MANAGEMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2009

	Note	18 month period ended 31 December 2009 £	Year ended 30 June 2008 £
Diminution in value of investment	5	-	(1,456,734)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-	(1,456,734)
Tax on profit/(loss) on ordinary activities	4	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		-	(1,456,734)

There are no recognised gains or losses other than the profit/(loss) above and therefore no separate statement of total recognised gains and losses has been prepared

There is no difference between the profit/(loss) on ordinary activities before tax and the profit/(loss) for the financial periods stated above, and their historical cost equivalents

The notes on pages 6 to 10 form an integral part of these financial statements

EIBL MANAGEMENT LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2009

	Note	31 December 2009 £	30 June 2008 £
FIXED ASSETS			
Investments in subsidiary undertakings	5	56,081,091	66,471,258
CREDITORS			
Amounts falling due within one year	6	(32,540,981)	(55,698,937)
NET CURRENT LIABILITIES		(32,540,981)	(55,698,937)
NET ASSETS		23,540,110	10,772,321
CAPITAL AND RESERVES			
Called up share capital	7	20,000	20,000
Share premium account	8	11,990,000	11,990,000
Capital contribution reserve	8	12,767,789	-
Profit and loss account	8	(1,237,679)	(1,237,679)
SHAREHOLDER'S FUNDS	9	23,540,110	10,772,321

These financial statements on pages 4 to 10 were approved by the board of directors on 24th June 2010 and signed on its behalf by



A P CLARE
Director

EIBL MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2009

1. STATEMENT OF ACCOUNTING POLICIES

a. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention and the accounting policies set out below

b. Group accounts

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare consolidated accounts. These financial statements present information about the Company as an individual undertaking and not about its Group

c. Cash flow statement

The Company's results are included in the consolidated financial statements of Swinton (Holdings) Limited (a company incorporated in England). Consequently the Company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement

d. Investments in subsidiary undertakings

Shares in subsidiary undertakings are stated at cost unless their value has been impaired, in which case they are valued at their realisable value, or value in use as appropriate

e. Tax

Corporation tax is provided on taxable profits at the current rate

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

EIBL MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2009

2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX

The Company's audit fee is borne by another group company

3. DIRECTORS AND EMPLOYEE INFORMATION

The directors are remunerated by a fellow subsidiary undertaking for their services to the Group as a whole and the remuneration for their services as directors of the Company is £nil (2008 – £nil) The company had no employees in the year (2008 – nil)

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge for the year

	18 month period ended 31 December 2009 £	Year ended 30 June 2008 £
Current tax		
UK corporation tax on losses for the year	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	-
	<hr/>	<hr/>

(b) Factors affecting tax charge for period

	18 month period ended 31 December 2009 £	Year ended 30 June 2008 £
Profit/(loss) on ordinary activities before taxation	-	(1,456,734)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 – 29.5%)	-	(429,737)
Effects of		
Expenses not deductible for tax purposes	-	429,737
	<hr/>	<hr/>
Current tax charge for the year (note 3(a))	-	-
	<hr/>	<hr/>

EIBL MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2009

5. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	31 December 2009 £	30 June 2008 £
At beginning of period	66,471,258	42,927,992
Additions	-	25,000,000
Diminution in value of investment	-	(1,456,734)
Disposals	(10,390,167)	-
At end of period	56,081,091	66,471,258

On 10 December 2008 the entire share capital of Equity Red Star (Accident & Health) Limited, Brokersure co uk Limited, Equity Claims Limited and HML Marketing Limited was sold to Equity Insurance Holdings Limited for consideration totalling £10,390,167. No profit or loss on disposal was generated by these transactions

The Company has interests in the following subsidiaries at 31 December 2009, all of which are incorporated in England and Wales, unless where stated.

Subsidiary	Principal activity	Class of shares	Interest
Argent Insurance Practice Limited	Dormant	Ordinary	100%
Equity Insurance Brokers Limited	Dormant	Ordinary	100%
M K Lyle (L&P) Limited (incorporated in Northern Ireland)	Dormant	Ordinary	100%

EIBL MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2009

6. CREDITORS: amounts falling due within one year

	31 December 2009 £	30 June 2008 £
Amount owed to group companies	32,540,981	55,698,937

7. CALLED UP SHARE CAPITAL

	31 December 2009 £	30 June 2008 £
Authorised 250,000 ordinary shares of £1 each	250,000	250,000
Allotted, issued and fully paid Ordinary shares of £1 each	20,000	20,000

8. RESERVES

	Share Premium Account £	Capital Contribution Reserve £	Profit and Loss Account £
At 1 July 2008	11,990,000	-	(1,237,679)
Capital contribution received during the period	-	12,767,789	-
Result for the financial period	-	-	-
At 31 December 2009	11,990,000	12,767,789	(1,237,679)

On 8 January 2009, the Company's immediate holding company, Equity Insurance Holdings Limited forgave intercompany debt of £12,767,789

EIBL MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2009

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	18 month period ended 31 December 2009 £	Year ended 30 June 2008 £
Opening shareholder's funds	10,772,321	12,229,055
Capital contribution received during the period	12,767,789	-
Result for the financial period	-	(1,456,734)
Closing shareholder's funds	23,540,110	10,772,321

10. RELATED PARTIES

The Company has applied the provisions of Financial Reporting Standard 8 ("Related Party Transactions") and taken the exemption allowed by the Standard from disclosing transactions with entities in the MMA IARD Assurances Mutuelles Group

11. ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Swinton Group Limited

In the directors' opinion, the Company's ultimate parent company, controlling party and largest undertaking which produces consolidated accounts (which include the Company and its subsidiary undertakings) is MMA IARD Assurances Mutuelles, a company incorporated in France. Copies of its group accounts can be obtained from MMA Insurance plc, Norman Place, Reading RG1 8DA

The smallest undertaking in the group which produces consolidated accounts (which include the Company) is Swinton (Holdings) Limited which is registered in England & Wales. A copy of its accounts can be obtained from the Company's registered office