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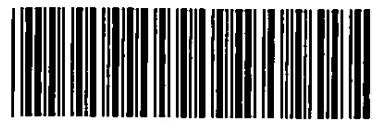
**CAMAXYS GROUP PLC**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2010**

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COMPANIES HOUSE



**LAKIN ROSE**  
CHARTERED ACCOUNTANTS

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**CAMAXYS GROUP PLC**

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**COMPANY INFORMATION**

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**DIRECTORS**

K A Arends  
K Gabler  
L Wagstaffe  
Dr H Gutmannsthal-Krizanits

**COMPANY SECRETARY**

R Ryding

**COMPANY NUMBER**

1631866

**REGISTERED OFFICE**

Pioneer House  
Vision Park  
Histon  
Cambridge  
CB24 9NL

**AUDITORS**

Lakin Rose Limited  
Chartered Accountants & Registered Auditors  
Pioneer House  
Vision Park  
Histon  
Cambridge  
CB24 9NL

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**CAMAXYS GROUP PLC**

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## **CAMAXYS GROUP PLC**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2010**

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The directors present their report and the financial statements for the year ended 30 June 2010

#### **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 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,
- 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.

#### **PRINCIPAL ACTIVITIES**

The company did not trade during the year.

#### **BUSINESS REVIEW**

There were no operations in the year.

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £5,524 (2009 - loss £967).

The directors do not recommend the payment of a dividend on the ordinary shares (2009 - £nil) and recommend an accrual of the fixed dividend of 0.05p (2009 - 0.05p) per convertible preferred share. The company does not have sufficient distributable reserves to make payment of the preferred dividend and consequently payment will not be made until such distributable reserves become available.

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## **CAMAXYS GROUP PLC**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2010**

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#### **DIRECTORS**

The directors who served during the year and changes since the year end were

K A Arends  
S R Lang (resigned 8 December 2009)  
K Gabler (appointed 8 December 2009)  
L Wagstaffe (appointed 8 December 2009)  
Dr H Gutmannsthal-Krizanits (appointed 12 February 2010)

#### **PRINCIPAL RISKS AND UNCERTAINTIES AND FINANCIAL INSTRUMENTS**

Excluding short-term debtors and creditors, the company had no financial liabilities, was not exposed to any foreign currency fluctuations, and had no undrawn committed facilities during either the current or prior year

The company has in issue £2,500 of convertible preferred shares of 5p each with a coupon rate of 1% These preferred shares are convertible at the option of the holder until 1 January 2010

The fair value of the company's financial assets and liabilities at 30 June 2010 is not materially different from their carrying value

#### **FUTURE DEVELOPMENTS**

##### **Acquisition of HorizonRe (Holding) Ltd**

On 3 June 2010 the Directors made a written offer to acquire HorizonRe (Holding) Ltd, a Liechtenstein registered and domiciled company

The offer is subject to due diligence and contract and is further subject to the approval of the HorizonRe shareholders

The offer is to acquire 100% of the company's 34,487,901 issued ordinary shares at € 1.00 per share The offer is based on

- 1 20% in cash
- 2 80% in new ordinary shares issued by Camaxys Group plc at par value of £0.05p per share

The offer is conditional on the book debt due to HorizonRe (Holding) Ltd by Kurt Gabler in the sum of €3,790,897 being repaid from the cash proceeds of the sale of his shares in the transaction A letter of commitment to this effect has been received from Mr Gabler

On 18 June 2010 the Board of Camaxys Group plc received a letter of acceptance from the Board of HorizonRe (Holding) Ltd

It is proposed to obtain the approval of the Camaxys shareholders at the AGM and a circular will be issued with the Notice of the Meeting

The reasons for making the acquisition will be contained in the Circular but the Directors are confident that it is the first of many positive steps in developing a long-term strategy that initially will invest in innovative insurance related companies and products

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## **CAMAXYS GROUP PLC**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2010**

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#### **COMPANY'S POLICY FOR PAYMENT OF CREDITORS**

The company seeks to achieve the most cost-effective terms from its suppliers. Often terms are agreed in the process of ordering goods or services. If all the terms are met to the company's satisfaction then payment is made to the terms agreed.

The average number of creditor days of the company at 30 June 2010 was 1 day (2009 - 1 day)

#### **GOING CONCERN**

The financial statements have been prepared on the going concern basis which assumes that the company will continue as a going concern for the foreseeable future. The validity of this assumption depends on the Camaxys Group plc shareholders' approval of the Board's decision to acquire HorizonRe (Holding) Ltd. The acquisition will provide adequate working capital and will ensure that the Intellectual Property provided by the Sinking Fund Insurance Guarantee (SFIG) as well as developing the investment opportunities will strengthen the company's balance sheet creating a substantially better Net Asset Value (NAV). The directors are confident that the shareholders will approve the Board's decision and accordingly they believe it appropriate to prepare the financial statements on the going concern basis.

#### **PROVISION OF INFORMATION TO AUDITORS**

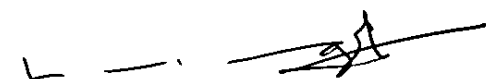
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

The auditors, Lakin Rose Limited, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 30 September 2010 and signed on its behalf



**L Wagstaffe**  
Director

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## **CAMAXYS GROUP PLC**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAMAXYS GROUP PLC**

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We have audited the financial statements of Camaxys Group plc for the year ended 30 June 2010, set out on pages 6 to 14. 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 Auditors' 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 Statement of directors' responsibilities, 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 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 30 June 2010 and of its loss 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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## **CAMAXYS GROUP PLC**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAMAXYS GROUP PLC**

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#### **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

Christopher Dougherty (Senior statutory auditor)

for and on behalf of  
**LAKIN ROSE LIMITED**

Chartered Accountants  
Registered Auditors

Pioneer House  
Vision Park  
Histon  
Cambridge  
CB24 9NL

30 September 2010



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**CAMAXYS GROUP PLC**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2010**

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	Note	2010 £	2009 £
Administrative expenses		(5,524)	(966)
<b>OPERATING LOSS</b>	2	(5,524)	(966)
Interest receivable	5	-	2
Interest payable	6	-	(3)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(5,524)	(967)
Tax on loss on ordinary activities	7	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	11	£ (5,524)	£ (967)

Loss per 5p share Basic and diluted	£ -	£ -
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All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account

The notes on pages 9 to 14 form part of these financial statements

**CAMAXYS GROUP PLC**  
**REGISTERED NUMBER: 1631866**

**BALANCE SHEET**  
**AS AT 30 JUNE 2010**

	Note	£	2010 £	£	2009 £
<b>CURRENT ASSETS</b>					
Cash at bank		37		232	
<b>CREDITORS:</b> amounts falling due within one year	9	(4,595)		(29,298)	
<b>NET CURRENT LIABILITIES</b>			(4,558)		(29,066)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>£ (4,558)</u>		<u>£ (29,066)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		936,279		906,222
Share premium account	11		2,452,430		2,452,430
Capital redemption reserve	11		47,500		47,500
Profit and loss account	11		(3,440,767)		(3,435,218)
<b>SHAREHOLDERS' DEFICIT</b>	12		<u>£ (4,558)</u>		<u>£ (29,066)</u>

The notes on pages 9 to 14 form part of these financial statements

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2010



**L Wagstaffe**  
Director

The notes on pages 9 to 14 form part of these financial statements

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**CAMAXYS GROUP PLC**

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**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2010**

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	Note	2010 £	2009 £
Net cash flow from operating activities	14	(30,252)	(117)
Returns on investments and servicing of finance	15	-	(1)
<b>CASH OUTFLOW BEFORE FINANCING</b>		<u>(30,252)</u>	<u>(118)</u>
Financing	15	30,057	-
<b>DECREASE IN CASH IN THE YEAR</b>		<u>£ (195)</u>	<u>£ (118)</u>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 30 JUNE 2010**

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	2010 £	2009 £
Decrease in cash in the year	<u>(195)</u>	<u>(118)</u>
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<u>(195)</u>	<u>(118)</u>
Net funds at 1 July 2009	232	350
<b>NET FUNDS AT 30 JUNE 2010</b>	<u>£ 37</u>	<u>£ 232</u>

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The notes on pages 9 to 14 form part of these financial statements

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## CAMAXYS GROUP PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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#### 1. ACCOUNTING POLICIES

##### 1.1 Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue as a going concern for the foreseeable future. The validity of this assumption depends on the Camaxys Group plc shareholders' approval of the Board's decision to acquire HorizonRe (Holding) Ltd. The acquisition will provide adequate working capital and will ensure that the Intellectual Property provided by the Sinking Fund Insurance Guarantee (SFIG) as well as developing the investment opportunities will strengthen the company's balance sheet creating a substantially better Net Asset Value (NAV). The directors are confident that the shareholders will approve the Board's decision and accordingly they believe it appropriate to prepare the financial statements on the going concern basis.

##### 1.2 Basis of preparation of financial statements

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

##### 1.3 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### 2. OPERATING LOSS

During the year, no director received any emoluments (2009 - £NIL)

#### 3. AUDITORS' REMUNERATION

	2010 £	2009 £
Fees payable to the company's auditor for the audit of the company's annual accounts	1,000	1,000
Fees payable to the company's auditor and its associates in respect of		
Other services relating to taxation	250	(150)
All other services	4,078	-
	<u>          </u>	<u>          </u>

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**CAMAXYS GROUP PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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**4 STAFF COSTS**

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

	<b>2010 No.</b>	<b>2009 No</b>
Administration	<u>3</u>	<u>2</u>

**5. INTEREST RECEIVABLE**

	<b>2010 £</b>	<b>2009 £</b>
Other interest receivable	<u>£ -</u>	<u>£ 2</u>

**6. INTEREST PAYABLE**

	<b>2010 £</b>	<b>2009 £</b>
On bank loans and overdrafts	<u>£ -</u>	<u>£ 3</u>

**7 TAXATION**

	<b>2010 £</b>	<b>2009 £</b>
UK corporation tax charge on loss for the year	<u>£ -</u>	<u>£ -</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2009 - *lower than*) the standard rate of corporation tax in the UK (21%). The differences are explained below

	<b>2010 £</b>	<b>2009 £</b>
Loss on ordinary activities before tax	<u>£ (5,524)</u>	<u>£ (967)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2009 - 21%)	<u>(1,160)</u>	<u>(203)</u>
<b>Effects of:</b>		
Movement in unprovided deferred tax	<u>1,160</u>	<u>203</u>
<b>Current tax charge for the year</b> (see note above)	<u>£ -</u>	<u>£ -</u>

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CAMAXYS GROUP PLC

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

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7. TAXATION (continued)

Factors that may affect future tax charges

The company has tax losses arising in the UK of £107,305 (2009 - £101,781). Deferred tax assets have not been recognised in respect of these losses as it is uncertain whether they will be utilised.

8. EARNINGS PER SHARE

Basic earnings per ordinary share is calculated by dividing the loss after charging tax and preferred dividend of £5,524 (2009 - £967) by the weighted average number of ordinary shares in issue during the year of 18,124,541 (2009 - 18,074,446).

In accordance with FRS25, potential ordinary shares are only treated as dilutive when, and only when, their conversion to ordinary shares would decrease net profit or increase net loss per share from continuing operations. The company's share options have therefore not been included in the calculation of the weighted average number of shares as they would decrease the net loss per share.

9. CREDITORS:

Amounts falling due within one year

	2010 £	2009 £
Trade creditors	2,396	3,450
Accrued dividends	200	175
Other creditors	-	22,674
Accruals and deferred income	1,999	2,999
	<u>£ 4,595</u>	<u>£ 29,298</u>

10. SHARE CAPITAL

	2010 £	2009 £
<b>Allotted, called up and fully paid</b>		
18,675,586 (2009 - 18,074,446) ordinary shares of 5p each	933,779	903,722
50,000 convertible preferred shares of 5p each	2,500	2,500
	<u>£ 936,279</u>	<u>£ 906,222</u>

The company allotted and issued 601,140 ordinary shares of 5p each during the year at par in exchange for cancellation of amounts owed to directors of £30,057.

**CAMAXYS GROUP PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**10. SHARE CAPITAL (continued)**

The convertible preferred shares shall be entitled to a cumulative dividend of 0.05 pence (net) per share prior to the payment of any dividend on any other class of share in the company, such dividend to be paid yearly in arrears on 31 October in each year. The convertible preferred shares shall rank *pari passu* with the ordinary shares for the return of capital on a winding up. The convertible preferred shares are convertible into ordinary shares at the option of the holders of the shares at any time on the basis of one ordinary share for every convertible preferred share held, provided that the after tax earnings of the company as derived from the then latest audited accounts of the company is equal to or greater than two times the amount that would be required to pay a fixed dividend of 2.4 pence (net) per share on the aggregate number of ordinary shares and convertible preferred shares in issue at that time. The convertible preferred shares are also convertible into ordinary shares on the basis of one ordinary share for every convertible preferred share following any part of the share capital of the company being admitted to the official list of the London Stock Exchange or an offer being made for over 50 percent of the ordinary shares of the company becoming unconditional as to acceptances. The convertible preferred shares do not carry any voting rights. They may be converted in full but not in part. The convertible preferred shares are redeemable at the company's option as a means of conversion into ordinary shares.

**11. RESERVES**

	Share premium account £	Capital redempt'n reserve £	Profit and loss account £
At 1 July 2009	2,452,430	47,500	(3,435,218)
Loss for the year	-	-	(5,524)
Dividends Non-equity capital	-	-	(25)
At 30 June 2010	<u>£ 2,452,430</u>	<u>£ 47,500</u>	<u>£ (3,440,767)</u>

**12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2010 £	2009 £
Opening shareholders' deficit	(29,066)	(28,074)
Loss for the year	(5,524)	(967)
Dividends (Note 13)	(25)	(25)
Shares issued during the year	30,057	-
Closing shareholders' deficit	<u>£ (4,558)</u>	<u>£ (29,066)</u>

**CAMAXYS GROUP PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**13 DIVIDENDS**

	2010 £	2009 £
Accrued dividend of 0.05p (2009 - 0.05p) per preferred share	£ 25	£ 25

FRS 25 requires dividends on non-equity shares to be shown as appropriated from results, even if the company does not have sufficient distributable reserves to pay a dividend at that time

Accrued dividends at the year end amounted to £200 (2009 - £175)

**14. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2010 £	2009 £
Operating loss	(5,524)	(966)
(Decrease)/increase in creditors	(24,728)	849
<b>Net cash outflow from operating activities</b>	<b>£ (30,252)</b>	<b>£ (117)</b>

**15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2010 £	2009 £
<b>Returns on investments and servicing of finance</b>		
Interest received	-	2
Interest paid	-	(3)
<b>Net cash from returns on investments and servicing of finance</b>	<b>£ -</b>	<b>£ (1)</b>

	2010 £	2009 £
<b>Financing</b>		
Issue of ordinary shares	£ 30,057	£ -



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**CAMAXYS GROUP PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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**16. ANALYSIS OF CHANGES IN NET DEBT**

	1 July 2009	Cash flow	Other non-cash changes	30 June 2010
	£	£	£	£
Cash at bank and in hand	232	(195)	-	37
<b>Net funds</b>	<b>£ 232</b>	<b>£ (195)</b>	<b>£ -</b>	<b>£ 37</b>

**17. RELATED PARTY TRANSACTIONS**

K A Arends has provided financial support to the company since the sale of its operating subsidiary. The amount due to K A Arends at the end of the year (included within other creditors) was £nil (2009 - £22,674). On 1 June 2010 the company allotted 542,480 ordinary shares of 5p each to K A Arends at par in exchange for cancellation of the amount due to him at that date of £27,124.

K Gabler has provided financial support to the company since K A Arends ceased to do so. The amount due to K Gabler at the end of the year (included within other creditors) was £nil (2009 - £nil). On 1 June 2010 the company allotted 58,660 ordinary shares of 5p each to K Gabler at par in exchange for cancellation of the amount due to him at that date of £2,933.

**18. CONTROLLING PARTY**

The company is not controlled by any person or group of persons.

**19. DERIVATIVES AND FINANCIAL INSTRUMENTS**

An explanation of the company's objectives, policies and strategies for the role of derivatives and other financial instruments in creating and changing the risks of the company in its activities can be found in the directors' report.

Excluding short-term debtors and creditors, the company had no financial liabilities, was not exposed to any foreign currency fluctuations, and had no undrawn committed facilities during either the current or prior year.

The company has in issue £2,500 of convertible preferred shares of 5p each with a coupon rate of 1%. These preferred shares were convertible at the option of the holder until 1 January 2010 when the option expired.

The fair value of the company's financial assets and liabilities at 30 June 2010 is not materially different from their carrying value.