Company Registration No. 01692018

CALVERT GLOVER & CO. LIMITED

Report and Financial Statements

17 month period ended 31 August 2007

CALVERT GLOVER & CO. LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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CALVERT GLOVER & CO. LIMITED

OFFICERS AND PRINCIPAL ADVISERS

DIRECTORS

C M Giles
A G Hessett

SECRETARY

A G Hessett

REGISTERED OFFICE

Friends Provident House
13-14 South Parade
Leeds
Yorkshire
LS1 5QS

BANKERS

Clydesdale Bank plc
150 Buchanan Street
Glasgow
G1 2HL

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Glasgow

SOLICITORS

Dundas and Wilson LLP
Saltire Court
Edinburgh
EH1 2EN

CALVERT GLOVER & CO. LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the 17 month period from 1 April 2006 to 31 August 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period of trade was insurance broking

On 9 November 2006 the company was purchased by Giles Insurance Brokers Limited which acquired all of the issued share capital of the company On the 10 January 2007 the trade, assets and liabilities of the company were hived up into Giles Insurance Brokers Limited The directors do not anticipate there will be any further trade in this company

The accounting period has been extended to bring the financial year end into line with that of the new group The ultimate holding company at the end of the financial period is Quillco 226 Limited, a company registered in Scotland into which the results of the company are consolidated

RESULTS AND DIVIDENDS

The profit for the 17 month period from 1 April 2006 to 31 August 2007, after taxation, amounted to £350,000 (12 month period from 1 April 2005 to 31 March 2006 £1,000)

No dividends were paid or declared during the period from 1 April 2006 to 31 August 2007 (12 month period from 1 April 2005 to 31 March 2006 nil)

POST BALANCE SHEET EVENTS

Subsequent to the year end on 3 March 2008, a controlling interest in the company was acquired by Charterhouse Capital Partners ("CCP") The group was then restructured and DMWSL 585 Limited became the ultimate holding company of the group

PRINCIPAL RISKS AND UNCERTAINTIES

Credit Risk

The credit risk relating to the recoverability of the intercompany debtor is negated by the group ensuring that it receives cash in respect of premiums from clients before paying these premiums to insurers

Liquidity Risk

The directors manage and monitor the financing of the companies on a group basis to mitigate the liquidity risks

DIRECTORS

The directors who served the company during the period and subsequently are as follows

S Smith	(resigned 9 November 2006)
R M Thompson	(resigned 9 November 2006)
M Kellet	(resigned 9 November 2006)
J S Parker	(resigned 9 November 2006)
C M Giles	(appointed 9 November 2006)
D G Gardner	(appointed 9 November 2006, resigned 29 February 2008)
A G Hessett	(appointed 2 March 2008)

DIRECTORS' REPORT (CONTINUED)

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Robertshaw & Myers resigned as auditors during the period Deloitte & Touche LLP was subsequently appointed to fill the vacancy

Deloitte & Touche LLP expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed by order of the Board

A G Hessett
Company Secretary

30 June 2008

CALVERT GLOVER & CO. LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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) The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALVERT GLOVER & CO. LIMITED

We have audited the financial statements of Calvert Glover & Co Limited for the period from 1 April 2006 to 31 August 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 17 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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 United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, 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

The evidence available to us with regard to transactions reflected in the profit and loss account was limited Whilst we can be satisfied with the closing balance sheet position, we cannot substantiate the allocation of the income and expenses on a line by line basis There is potential that these figures are misallocated within the captions of turnover, administrative expenses and the gain on sale of the trade and assets of the company

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALVERT GLOVER & CO. LIMITED (CONTINUED)

Qualified opinion arising from limitation in audit scope

Except for any adjustments to the financial statements that might have been found necessary had we been able to fully substantiate the allocation disclosed in the profit and loss account between operating loss and gain on sale

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2007 and of its profit for the period from 1 April 2006 to 31 August 2007,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

In respect alone of the limitation on our work regarding the allocation in the profit and loss account

- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit, and
- we were unable to determine whether proper accounting records have been kept

Emphasis of matter – Financial statements prepared on a basis other than that of going concern

In forming our opinion on the financial statements, which is also qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Glasgow
United Kingdom

30 June 2008

CALVERT GLOVER & CO. LIMITED

PROFIT AND LOSS ACCOUNT
Period ended 31 August 2007

	Note	17 month period to 31 August 2007 £'000	12 month period to 31 March 2006 £'000
TURNOVER	2	226	326
Administrative expenses		(233)	(328)
OPERATING (LOSS)	3	(7)	(2)
Gain on sale of trade and assets	16	356	-
PROFIT/(LOSS) BEFORE INTEREST AND TAXATION		349	(2)
Interest receivable		2	6
Interest payable and similar charges		(1)	(2)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		350	2
Tax on profit on ordinary activities	6	-	(1)
RETAINED PROFIT FOR THE FINANCIAL PERIOD	12	350	1

All of the activities of the company are classed as discontinued subsequent to the hive up of trade and assets on 10 January 2007

There are no recognised gains and losses for the current or preceding financial period other than as stated in the profit and loss account Accordingly, no statement of total recognised gains and losses has been presented

CALVERT GLOVER & CO. LIMITED

BALANCE SHEET
As at 31 August 2007

	Note	31 August 2007 £'000	31 August 2007 £'000	31 March 2006 £'000	31 March 2006 £'000
FIXED ASSETS					
Tangible assets	7		-		49
CURRENT ASSETS					
Debtors	8	445		261	
Cash at bank and in hand		-		91	
		445		352	
CREDITORS: amounts falling due within one year	9	-		(297)	
NET CURRENT ASSETS			445		55
TOTAL ASSETS LESS CURRENT LIABILITIES			445		104
CREDITORS: amounts falling due after more than one year	10		-		(9)
			445		95
CAPITAL AND RESERVES					
Called up equity share capital	11		20		20
Profit and loss account	12		425		75
SHAREHOLDERS' FUNDS	13		445		95

These financial statements were approved by the Board of Directors on 30 June 2008

Signed on behalf of the Board of Directors

C M Giles
Director

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 August 2007

1. ACCOUNTING POLICIES

Basis of accounting

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

As explained in note 16, the company transferred its trade, assets and liabilities to a fellow subsidiary on 10 January 2007 for a consideration of £445,000 Subsequent to the date of transfer, the company has not traded As required by Financial Reporting Standard ("FRS") 18 "Accounting Policies", the directors have prepared the financial statements on the basis that the company is no longer a going concern The transfer of trade, assets and liabilities to a fellow subsidiary as explained in note 16 resulted in a gain to the profit and loss account and the creation of an intercompany debtor balance

Turnover

Turnover represents the value of commissions received, plus agreed commission for contracts not yet paid

Tangible fixed assets

Tangible fixed assets are recorded at cost less accumulated depreciation

Depreciation

Depreciation 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

Office furniture and equipment	- 3 years straight line
Motor vehicles	- 3 years straight line
Computer equipment	- 3 years to 5 years straight line

Pension costs

The company operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the company The annual contributions payable are charged to the profit and loss account

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the balance sheet date that will result in an obligation to pay more, or a right to pay less tax, in the future

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

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 "Cash Flow Statements (Revised 1996)" from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Period ended 31 August 2007

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

The company derives all turnover from operations in the United Kingdom

3. OPERATING PROFIT

	17 month period to 31 August 2007 £'000	12 month period to 31 March 2006 £'000
Operating profit is stated after charging/(crediting):		
Depreciation of owned fixed assets	2	2
Depreciation of assets held under hire purchase agreements	10	18
Profit on disposal of fixed assets	-	(6)
Auditors' remuneration		
- as auditors	-	7
- for other services	-	1
Operating lease costs		
- other	3	7

The total remuneration payable, excluding VAT, to its auditors, Deloitte & Touche LLP, in respect of the audit of these accounts is £5,000 and in respect of the preparation of the tax computation is £1,000 These costs have been borne and paid for by Giles Insurance Brokers Limited, an intermediate parent company

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company in the period of trade during the financial period amounted to

	17 month period to 31 August 2007 No	12 month period to 31 March 2006 No
Total staff	6	11

The aggregate payroll costs of the above were

	17 month period to 31 August 2007 £'000	12 month period to 31 March 2006 £'000
Wages and salaries	144	194
Social security costs	13	17
Staff pension costs	12	16
	169	227

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Period ended 31 August 2007

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	17 month period to 31 August 2007 £'000	12 month period to 31 March 2006 £'000
Emoluments receivable	55	136
Value of company pension contributions to money purchase schemes	8	14
	63	150

6. TAXATION ON ORDINARY ACTIVITIES

a) Analysis of charge in the year

	17 month period to 31 August 2007 £'000	12 month period to 31 March 2006 £'000
Current tax		
UK Corporation tax based on the results for the year at 30% (2006 – 30%)	-	1
Total current tax	-	1

b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30% (2006 – 30%) for the reasons below

	17 month period to 31 August 2007 £'000	12 month period to 31 March 2006 £'000
Profit on ordinary activities before taxation	350	2
Profit on ordinary activities by rate of tax	105	1
Income not taxable	(105)	-
Total current tax (note 6(a))	-	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Period ended 31 August 2007

7. TANGIBLE FIXED ASSETS

	Office Furniture and equipment £	Motor vehicles £	Total £
COST			
At 1 April 2006	49	74	123
Transfer to group company	(49)	(74)	(123)
At 31 August 2007	-	-	-
DEPRECIATION			
At 1 April 2006	45	29	74
Charge for the period	4	8	12
Transfer to group company	(49)	(37)	(86)
At 31 August 2007	-	-	-
NET BOOK VALUE			
At 31 August 2007	-	-	-
At 31 March 2006	4	45	49

8. DEBTORS

	31 August 2007 £'000	31 March 2006 £'000
Trade debtors	-	226
Amounts owed by group undertakings	445	-
Prepayments and accrued income	-	35
	445	261

9. CREDITORS: amounts falling due within one year

	31 August 2007 £'000	31 March 2006 £'000
Bank loans and overdrafts	-	9
Trade creditors	-	253
PAYE and social security	-	6
Hire purchase agreements	-	10
Accruals and deferred income	-	19
	-	297

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Period ended 31 August 2007

10. CREDITORS: amounts falling due more than one year

	31 August 2007 £'000	31 March 2006 £'000
Hire purchase agreements	-	9

11. SHARE CAPITAL

Authorised share capital:

	31 August 2007 No	31 March 2006 No
20,000 ordinary shares of £1 each	20,000	20,000

Allotted, called up and fully paid:

	31 August 2007		31 March 2006	
	No	£'000	No	£'000
Ordinary shares of £1 each	20,000	20	20,000	20

12. PROFIT AND LOSS ACCOUNT

	31 August 2007 £'000	31 March 2006 £'000
Balance brought forward	75	74
Retained profit for the period	350	1
Balance carried forward	425	75

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Period ended 31 August 2007

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 August 2007 £'000	31 March 2006 £'000
Profit for the financial period	350	1
Opening shareholders' funds	95	94
Closing shareholders' funds	445	95

14. PARENT COMPANY AND ULTIMATE HOLDING COMPANY

As at the year end, the company was a direct subsidiary of Giles Insurance Brokers Limited which in turn was a wholly owned subsidiary of Quillco 226 Limited, a company incorporated in Scotland A copy of the consolidated financial statements is available from Quillco 226 Limited, Spectrum Building 7th Floor, 55 Blythswood Street, Glasgow, G2 7AT

15. RELATED PARTY TRANSACTIONS

The company is a subsidiary of Quillco 226 Limited The company has taken advantage of the exemptions available to subsidiary undertakings in FRS 8 "Related Party Disclosures" not to report transactions with other group companies on the basis that consolidated financial statements are available for the ultimate parent company

16. TRANSFER OF TRADE AND ASSETS

On 10 January 2007, the company transferred its trade and assets to Giles Insurance Brokers Limited for a consideration of £445,000 This transaction represented the fair value of the assets and liabilities at that date of £89,000 and a payment for the goodwill of £356,000 as disclosed in the profit and loss account as a gain on sale

17. POST BALANCE SHEET EVENTS

Subsequent to the year end on 3 March 2008, a controlling interest in the company was acquired by Charterhouse Capital Partners ("CCP") The group was then restructured and DMWSL 585 Limited became the ultimate holding company of the group