

REGISTERED NUMBER: 02410966 (England and Wales)

REPORT OF THE DIRECTOR AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012
FOR
MSL BUSINESS GROUP LTD

SATURDAY



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COMPANIES HOUSE

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FOR THE YEAR ENDED 31 DECEMBER 2012

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MSL BUSINESS GROUP LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2012

DIRECTOR N D Garner

SECRETARY: N D Garner

REGISTERED OFFICE: No 1 Lakeside
Cheadle Royal Business Park
Cheadle
Cheshire
SK8 3GW

REGISTERED NUMBER: 02410966 (England and Wales)

AUDITORS: Allens Accountants Limited
Statutory Auditor and
Chartered Accountants
123 Wellington Road South
Stockport
Cheshire
SK1 3TH

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2012

The director presents his report with the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

The company remains a holding company, receiving dividends from its subsidiaries

DIVIDENDS

An interim dividend of 21.30 per share was paid on 24 November 2012. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2012 will be £1,064,856

DIRECTORS

N D Garner has held office during the whole of the period from 1 January 2012 to the date of this report

Other changes in directors holding office are as follows

D Garner and S M Garner ceased to be directors after 31 December 2012 but prior to the date of this report

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2012

AUDITORS

The auditors, Allens Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'N D Garner', with a stylized, cursive script.

N D Garner - Director

25 April 2013

02410966

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MSL BUSINESS GROUP LTD

We have audited the financial statements of MSL Business Group Ltd for the year ended 31 December 2012 on pages five to eleven. 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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director 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 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 2012 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 Report of the Director 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 financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Paul Wright (Senior Statutory Auditor)
for and on behalf of Allens Accountants Limited
Statutory Auditor and
Chartered Accountants
123 Wellington Road South
Stockport
Cheshire
SK1 3TH

25 April 2013

MSL BUSINESS GROUP LTD (REGISTERED NUMBER: 02410966)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	31/12/12 £	£	31/12/11 £	£
TURNOVER			-		-
Administrative expenses			406		36
OPERATING LOSS	3		(406)		(36)
Group loan write off	4		-		1,000
			(406)		964
Income from shares in group undertakings		1,064,856		246,325	
Interest receivable and similar income		-		208,613	
			1,064,856		454,938
			1,064,450		455,902
Amounts written off investments	5		1,437,150		-
			(372,700)		455,902
Interest payable and similar charges	6		23,489		26,490
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(396,189)		429,412
Tax on (loss)/profit on ordinary activities	7		-		-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			(396,189)		429,412
Retained profit brought forward			1,700,434		1,271,022
			1,304,245		1,700,434
Dividends	8		(1,064,856)		-
RETAINED PROFIT CARRIED FORWARD			239,389		1,700,434

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2012

	Notes	31/12/12 £	31/12/11 £
FIXED ASSETS			
Investments	9	2,984,952	4,422,100
CURRENT ASSETS			
Cash at bank		-	406
CREDITORS			
Amounts falling due within one year	10	<u>779,126</u>	<u>311,385</u>
NET CURRENT LIABILITIES		<u>(779,126)</u>	<u>(310,979)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,205,826	4,111,121
CREDITORS			
Amounts falling due after more than one year	11	<u>1,916,437</u>	<u>2,360,687</u>
NET ASSETS		<u>289,389</u>	<u>1,750,434</u>
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Profit and loss account		<u>239,389</u>	<u>1,700,434</u>
SHAREHOLDERS' FUNDS	18	<u>289,389</u>	<u>1,750,434</u>

The financial statements were approved by the director on 25 April 2013 and were signed by



N D Garner - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES

Accounting convention

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

Financial Reporting Standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

2 STAFF COSTS

There were no staff costs for the year ended 31 December 2012 nor for the year ended 31 December 2011

3 OPERATING LOSS

The operating loss is stated after charging

	31/12/12 £	31/12/11 £
Directors' remuneration	-	-

4 EXCEPTIONAL ITEMS

The company's accounting policy is that costs or gains are treated as exceptional costs or gains where they are associated with normal activities but are of a non-recurring nature and/or an exceptional magnitude that if they were not shown separately, the accounts would not present a true and fair view

During 2011, the following was treated as exceptional

Group loans creditor release

The directors determined that the settlement of group loans due could not be ascertained with any reasonable degree of certainty. Consequently the group loans have been cleared as non-payable. Loans released totalled £1,000 for the year

5 AMOUNTS WRITTEN OFF INVESTMENTS

	31/12/12 £	31/12/11 £
Investment impairment charge	1,437,150	-

Shortly after the year end Forward Hire Limited, a subsidiary of the Company, was voluntarily dissolved. Consequently the value of the investment in this subsidiary has been reduced to £ Nil

6 INTEREST PAYABLE AND SIMILAR CHARGES

	31/12/12 £	31/12/11 £
Financial & Legal Group Ltd loan interest	23,489	26,490

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

7 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2012 nor for the year ended 31 December 2011

8 DIVIDENDS

	31/12/12	31/12/11
	£	£
Ordinary shares of £1 each		
Interim	<u>1,064,856</u>	<u>-</u>

9 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2012	4,422,100
Additions	2
	<u>4,422,102</u>
At 31 December 2012	<u>4,422,102</u>
PROVISIONS	
Impairments	1,437,150
	<u>1,437,150</u>
At 31 December 2012	<u>1,437,150</u>
NET BOOK VALUE	
At 31 December 2012	<u>2,984,952</u>
At 31 December 2011	<u>4,422,100</u>

The company's investments at the balance sheet date in the share capital of companies include the following

Forward Hire Limited

Nature of business Holding Company

	%		
	holding		
	100 00		
		31/12/12	31/12/11
		£	£
Aggregate capital and reserves		10	10
Profit for the year		<u>-</u>	<u>246,443</u>

Direct shareholding Shortly after the year end the company has been voluntarily dissolved

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

9 FIXED ASSET INVESTMENTS - continued

MSL Vehicle Rental Limited

Nature of business Vehicle hire

	% holding		
Class of shares			
Ordinary	100 00		
		31/12/12	31/12/11
		£	£
Aggregate capital and reserves		2,248,901	2,948,554
Profit for the year		110,203	515,830

Direct shareholding

MSL Legal Expenses Limited

Nature of business Motorist legal services

	% holding		
Class of shares			
Ordinary	100 00		
		31/12/12	31/12/11
		£	£
Aggregate capital and reserves		873,972	860,352
Profit/(loss) for the year		268,620	(2,244,906)

Direct shareholding

Magnus (UK) Limited

Nature of business Dormant

	% holding		
Class of shares			
Ordinary	100 00		
		31/12/12	31/12/11
		£	£
Aggregate capital and reserves		2,000	2,000
Loss for the year		-	(1,476)

Indirect shareholding Shortly after the year end the company has been voluntarily dissolved

Financial & Legal UK Limited

Nature of business Dormant

	% holding		
Class of shares			
Ordinary	100 00		
		31/12/12	31/12/11
		£	£
Aggregate capital and reserves		100	100
Loss for the year		-	(68,478)

Indirect shareholding Shortly after the year end the company has been voluntarily dissolved

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**

9 FIXED ASSET INVESTMENTS - continued

Focus Claims Limited

Nature of business Dormant

	%		
Class of shares	holding		
Ordinary	100 00	31/12/12	31/12/11
		£	£
Aggregate capital and reserves		<u>2</u>	<u>2</u>

Direct shareholding, following transfer from Forward Hire Ltd on 12 September 2012

MSL Legal Services Ltd

Nature of business Dormant

	%		
Class of shares	holding		
Ordinary	100 00	31/12/12	31/12/11
		£	£
Profit for the year		<u>-</u>	<u>426,689</u>

Indirect shareholding

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/12	31/12/11
	£	£
Amounts owed to group undertakings	779,124	311,385
Other creditors	<u>2</u>	<u>-</u>
	<u>779,126</u>	<u>311,385</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/12/12	31/12/11
	£	£
Debentures (see note 12)	<u>1,916,437</u>	<u>2,360,687</u>

The loan notes, issued in 2006 on the acquisition of all subsidiary companies held by Financial and Legal Group Limited, have been amended retrospectively so that interest is charged thereon at 0.5% above base rate per annum (previously fixed at 5%). This resulted in an adjustment to reduce interest payable in 2011 by £208,613. The loan notes are redeemable at par at anytime and are fully repayable by the twentieth anniversary of the date of issue.

12 LOANS

An analysis of the maturity of loans is given below

	31/12/12	31/12/11
	£	£
Amounts falling due in more than five years		
Repayable otherwise than by instalments		
Financial & Legal Group Limited loan notes	<u>1,916,437</u>	<u>2,360,687</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		Nominal value £1	31/12/12	31/12/11
Number	Class		£	£
50,000	Ordinary		<u>50,000</u>	<u>50,000</u>

Following a restructure in 2011, 45,000 £1 Ordinary 'C' shares and 5,000 £1 Ordinary 'D' shares were reclassified as 50,000 £1 Ordinary shares

14 ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is The Shareholding Company Limited

The company's ultimate parent undertaking is Arete Commercial Holdings Limited During the year, the entire share capital of The Shareholding Company Limited was acquired by Arete Commercial Holdings Limited

Arete Commercial Holdings Limited will be preparing its first set of accounts to 31 December 2013 Consequently, the smallest and largest group in which the results of this company are consolidated for the current year is that headed by its immediate parent undertaking, The Shareholding Company Limited The accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ

15 CONTINGENT LIABILITIES

The company had previously given an unlimited multilateral cross company guarantee in respect of the bank borrowings of all group companies, other than Financial & Legal Insurance Company Limited This guarantee was released in March 2012 following a change in the company's bankers

16 RELATED PARTY DISCLOSURES

Financial & Legal Group

A company controlled by the director D Garner

Loan interest of £23,489 (2011 £26,490) was paid to Financial & Legal Group in the year

	31/12/12	31/12/11
	£	£
Amount due to related party at the balance sheet date	<u>1,916,437</u>	<u>2,360,687</u>

17 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is N D Garner

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31/12/12	31/12/11
	£	£
(Loss)/profit for the financial year	(396,189)	429,412
Dividends	<u>(1,064,856)</u>	<u>-</u>
Net (reduction)/addition to shareholders' funds	<u>(1,461,045)</u>	<u>429,412</u>
Opening shareholders' funds	<u>1,750,434</u>	<u>1,321,022</u>
Closing shareholders' funds	<u>289,389</u>	<u>1,750,434</u>