

REGISTERED NUMBER: 2542977 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 31 December 2010
for
I E Group Limited**



I E Group Limited (Registered number: 2542977)

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for the Year Ended 31 December 2010**

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I E Group Limited

**Company Information
for the Year Ended 31 December 2010**

DIRECTORS:

M A Couzens
P Hooper

REGISTERED OFFICE:

Pixham End
Dorking
Surrey
RH4 1QA

REGISTERED NUMBER:

2542977 (England and Wales)

AUDITORS:

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

**Report of the Directors
for the Year Ended 31 December 2010**

The directors present their report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of acting as an intermediate holding company

REVIEW OF BUSINESS

The company holds the lease on a property in Peterborough, from which it traded a number of years ago. The property is currently sub-let fully. During the year the company received income from the property of £257,000 and incurred costs of £257,000.

Following the completion of a group wide initiative to streamline the corporate structure of the Friends Provident Holdings (UK) plc group of companies the following post balance sheet events have taken place

On 28 February 2011 an inter-company balance of £479,000 was released. On 7 March 2011 a further inter-company balance of £487,777 was released. The remaining inter-company debtor balance has been provided for in full as the directors no longer consider this to be recoverable.

On 1 March 2011 all investments of IE Group Limited were sold to the immediate parent company Sesame Services Limited for consideration of £26,447. Accordingly, the company has classified the investments as current assets.

As a result of the above restructuring of IE Group Limited, the financial statements have been prepared on the break-up basis as the going concern basis was deemed to no longer be appropriate. All adjustments to the financial statements arising from this basis of preparation have been recognised in the year to 31 December 2010.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2010.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the review of business above and in note 13.

DIRECTORS

M A Couzens has held office during the whole of the period from 1 January 2010 to the date of this report.

Other changes in directors holding office are as follows:

M T Wadelin - resigned 30 June 2010

P Hooper - appointed 1 July 2010

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the company relates to leasing of the property. The property is currently sub-let to an unrelated company so any change in this arrangement would represent a risk to the company.

KEY PERFORMANCE INDICATORS (KPI's)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for the understanding of the development, performance or position of the business.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development and position, are set out in this Director's Report.

As a result of the releasing of inter-group balances due to the company, the going concern basis was no longer deemed to be applicable and a break-up basis of accounting has been adopted.

**Report of the Directors
for the Year Ended 31 December 2010**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director 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.

AUDITORS

Ernst & Young LLP were appointed as auditors to the company by the directors on 24 November 2010 and their appointment will be approved at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



P Hooper - Director

Date

31/3/11

**Report of the Independent Auditors to the Members of
I E Group Limited**

We have audited the financial statements of I E Group Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 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 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, 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 31 December 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.

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.



Richard Page (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

Date

31 March 2011

**Profit and Loss Account
for the Year Ended 31 December 2010**

	Notes	2010 £'000	2009 £'000
TURNOVER		257	242
Administrative expenses		<u>10,606</u>	<u>550</u>
		(10,349)	(308)
Other operating income		<u>150</u>	<u>1,248</u>
OPERATING (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(10,199)	940
Tax on (loss)/profit on ordinary activities	4	<u>65</u>	<u>300</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(10,264)</u>	<u>640</u>

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

I E Group Limited (Registered number: 2542977)

**Balance Sheet
31 December 2010**

	Notes	2010 £'000	2009 £'000
FIXED ASSETS			
Investments	5	-	10
CURRENT ASSETS			
Debtors	6	211	10,733
Investments	5	10	-
Cash in hand		<u>82</u>	<u>7</u>
		303	10,740
CREDITORS			
Amounts falling due within one year	7	<u>601</u>	<u>784</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(298)</u>	<u>9,956</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(298)	9,966
PROVISIONS FOR LIABILITIES	8	<u>308</u>	<u>308</u>
NET (LIABILITIES)/ASSETS		<u>(606)</u>	<u>9,658</u>
CAPITAL AND RESERVES			
Called up share capital	9	2,264	2,264
Share premium	10	9,089	9,089
Other reserves	10	2	2
Profit and loss account	10	<u>(11,961)</u>	<u>(1,697)</u>
SHAREHOLDERS' FUNDS	14	<u>(606)</u>	<u>9,658</u>

The financial statements were approved by the Board of Directors on its behalf by



P Hooper - Director

31/3/11

and were signed on

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

Basis of Accounting

The financial statements are prepared on the break up basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

Going Concern

Based on the impact of the restructuring exercise undertaken after the year end, the directors consider it appropriate to prepare the financial statements on the break up basis. All adjustments to the financial statements arising from this basis of preparation have been recognised in the year to 31 December 2010.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on directors' best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Accounting convention

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

Preparation of consolidated financial statements

The financial statements contain information about I E Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Financial Reporting Standard Number 1

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

Other Operating Income

Other operating income comprises rental income which is recognised on an accruals basis and in 2010 is the receipt of income from a debt that had previously been provided against.

Deferred tax

Deferred tax is provided in full, using the liability method. 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 that date that will result in an obligation to pay more, or a right to pay less tax in the future. Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average 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.

1 ACCOUNTING POLICIES - continued

Investments

Investments are shown at cost less any provision considered necessary for impairment to value. The directors, on an annual basis, carry out reviews for impairments of investments. The need for any impairment write-down is assessed by comparison of the carrying value of the asset against the higher of net realisable value or value in use. The value in use is determined from estimated discounted future cash flows.

Income from shares in group undertakings is recognised on a dividend received basis.

2 STAFF COSTS

There were no staff costs for the year ended 31 December 2010 nor for the year ended 31 December 2009.

There were no employees in the year (2009 - nil).

3 OPERATING (LOSS)/PROFIT

Directors' emoluments

Directors' emoluments have not been apportioned to IE Group Limited as the directors' services to the company are considered to be incidental to the activities of the entire group (2009 - £nil). The directors are remunerated by other companies within the group.

4 TAXATION

Analysis of the tax charge

The tax charge on the (loss)/profit on ordinary activities for the year was as follows:

	2010 £'000	2009 £'000
Current tax		
UK corporation tax	<u>65</u>	<u>300</u>
Tax on (loss)/profit on ordinary activities	<u>65</u>	<u>300</u>

UK corporation tax was charged at 28%.

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2010 £'000	2009 £'000
(Loss)/profit on ordinary activities before tax	<u>(10,199)</u>	<u>940</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(2,856)	263
Effects of		
Inter-company loan write off	2,898	-
Tax adjustment on intercompany transactions	<u>23</u>	<u>37</u>
Current tax charge	<u>65</u>	<u>300</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

4 TAXATION - continued

Factors that may affect future tax charges

The Company has a deferred tax asset of £nil (2009 £nil)

5 FIXED ASSET INVESTMENTS

Shares in
group
undertakings
£'000

COST

At 1 January 2010

and 31 December 2010

9,631

PROVISIONS

At 1 January 2010

and 31 December 2010

9,621

NET BOOK VALUE

At 31 December 2010

10

At 31 December 2009

-

The investments in subsidiaries comprise	Diminution in		Carrying value 2010 £000's
	Cost £000's	value £000's	
Hallco 60 Limited	619	(615)	4
Sesame Desktop Services Limited	619	(615)	4
Sesame Desktop Solutions Limited	218	(216)	2
IFA Network Limited	421	(421)	-
IFA Network (Services) Limited	5,201	(5,201)	-
Securitized Endowment Contracts Limited	2,543	(2,543)	-
SEP Marketing Limited	10	(10)	-
Sesame UK Limited	-	-	-
Kingfisher Asset Management Limited	-	-	-
Kingfisher Reversions Limited	-	-	-
Xegesis Limited	-	-	-
Sesame Network Limited	-	-	-
IBIS (310) Limited	-	-	-
	<u>9,631</u>	<u>(9,621)</u>	<u>10</u>

On 1 March 2011 all investments of IE Group Limited were sold to the immediate parent company Sesame Services Limited for consideration of £26,447. Accordingly, the company has classified the investments as current assets.

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

Hallco 60 Limited

Nature of business Dormant

Class of shares	%
Ordinary	holding 100.00

5 FIXED ASSET INVESTMENTS - continued

Sesame Desktop Services Limited

Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

Sesame Desktop Solutions Limited

Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

IFA Network Limited

Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

IFA Network (Services) Limited

Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

Securitised Endowment Contracts Limited

Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

SEP Marketing Limited

Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

Sesame UK Limited

Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

Kingfisher Asset Management Limited

Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

Kingfisher Reversions Limited

Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2010**

5 FIXED ASSET INVESTMENTS - continued

Xegesis Limited

Nature of business Dormant

	%
Class of shares	holding
Ordinary	100 00

Sesame Network Limited

Nature of business Dormant

	%
Class of shares	holding
Ordinary	100 00

IBIS (310) Limited

Nature of business Dormant

	%
Class of shares	holding
Ordinary	100 00

Group financial statements are not prepared as during the year I E Group Limited was ultimately a wholly owned subsidiary of Resolution Limited, which produces publicly available consolidated financial statements

The Company holds 100% of the allotted share capital, which comprises of ordinary or deferred shares, in all subsidiary undertakings with the exception of IFA Network Limited. The Company holds 3% of the allotted share capital of IFA Network Limited, and the remaining 97% is held by Halco 60 Limited, Sesame Desktop Services Limited and Sesame Desktop Solutions Limited which are also subsidiaries of I E Group Limited

All companies are incorporated in Great Britain and registered in England and Wales. The Company is exempt from preparing consolidated financial statements under Section 400 of Companies Act 2006. The Directors believe that the carrying value of investments is supported by their underlying net assets.

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Trade receivables	4	4
Amounts owed by group undertakings	-	10,725
Other receivables	150	-
Prepayments and accrued income	<u>57</u>	<u>4</u>
	<u>211</u>	<u>10,733</u>

The amounts due from group undertakings were unsecured, interest free, had no fixed repayment date and were repayable on demand. See note 13.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Amounts owed to group undertakings	479	479
Corporation tax	65	300
Accruals and deferred income	<u>57</u>	<u>5</u>
	<u>601</u>	<u>784</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand

8 PROVISIONS FOR LIABILITIES

	2010 £'000	2009 £'000
Other provisions	<u>308</u>	<u>308</u>

A dilapidations provision is recognised in relation to a property lease held by the company. There has been no movement in the liability relating to this lease during the year.

9 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2010 £'000	2009 £'000
22,644,020	Ordinary shares	0 10p	<u>2,264</u>	<u>2,264</u>

10 RESERVES

	Profit and loss account £'000	Share premium £'000	Other reserves £'000	Totals £'000
At 1 January 2010	(1,697)	9,089	2	7,394
Deficit for the year	<u>(10,264)</u>			<u>(10,264)</u>
At 31 December 2010	<u>(11,961)</u>	<u>9,089</u>	<u>2</u>	<u>(2,870)</u>

11 ULTIMATE PARENT COMPANY

The Company's immediate parent Company is Sesame Services Limited, a Company registered in England and Wales.

The Company's ultimate parent undertaking is Resolution Limited, which is incorporated in Guernsey. Copies of the Group Report and Accounts of Resolution Limited can be viewed via its website at www.resolution.gg

The smallest group in which the results of the Company are consolidated is that headed by Friends Provident (UK) Holdings plc.

12 RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary undertaking of Sesame Services Limited. The results of both the Company and Sesame Services Limited are consolidated in the results of Resolution Limited, the Company's ultimate parent and controlling undertaking, whose financial statements are publicly available. Accordingly, the Company is exempt from the requirements of Financial Reporting Standard 8 Related Party Disclosures, concerning the disclosure of transactions with other companies that qualify as related parties within the Resolution Limited Group.

There are no other material related party transactions.

13 POST BALANCE SHEET EVENTS

Following the completion of a group wide initiative to streamline the corporate structure of the Friends Provident Holdings (UK) plc group of companies the following post balance sheet events have taken place:

On 28 February 2011 an inter-company balance of £479,000 was released. On 7 March 2011 a further inter-company balance of £487,777 was released. The remaining inter-company debtor balance has been provided for in full as the directors no longer consider this to be recoverable.

On 1 March 2011 all investments of IE Group Limited were sold to the immediate parent company Sesame Services Limited for consideration of £26,447. Accordingly, the company has classified the investments as current assets.

As a result of the above restructuring of IE Group Limited, the financial statements have been prepared on the break-up basis as the going concern basis was deemed to no longer be appropriate. All adjustments to the financial statements arising from this basis of preparation have been recognised in the year to 31 December 2010.

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £'000	2009 £'000
(Loss)/Profit for the financial year	(10,264)	640
Net (reduction)/addition to shareholders' funds	(10,264)	640
Opening shareholders' funds	9,658	9,018
Closing shareholders' funds	(606)	9,658