

MCIS HOLDINGS LIMITED

Report and Financial Statements

Year ended 31 August 2007

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MCIS HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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MCIS HOLDINGS LIMITED

OFFICERS AND PRINCIPAL ADVISERS

DIRECTOR

C M Giles

SECRETARY

A G Hissett

REGISTERED OFFICE

Giles House
Coombs Wood Business Park
Steel Park Road
Halesowen
B62 8HD

BANKERS

Clydesdale Bank plc
150 Buchanan Street
Glasgow
G1 2HL

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Glasgow

SOLICITORS

Dundas & Wilson LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

MCIS HOLDINGS LIMITED

DIRECTOR'S REPORT

The director presents his report and the audited financial statements of the company for the year ended 31 August 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company did not trade during the year and it is not anticipated that it will do so in the future

The company is the holding company of two subsidiaries. The subsidiaries were non-trading during the year.

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 company did not trade in the year.

The company's financial position at the end of the year is shown in the attached financial statements.

The directors have not recommended a dividend for the period (period to 31 August 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 year and subsequently are as follows:

C M Giles

D G Gardner (resigned 29 February 2008)

The company is a wholly owned subsidiary and the interests of the directors are disclosed in the financial statements of the parent company.

MCIS HOLDINGS LIMITED

DIRECTOR'S REPORT (CONTINUED)

AUDITORS

The director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the 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

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

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 handwritten signature in black ink, appearing to be 'A G Hessett', with a stylized, flowing script.

A G Hessett
Company Secretary

30 June 2008

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual Report 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). 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 for that period. In preparing these financial statements, the director is 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCIS HOLDINGS LIMITED

We have audited the financial statements of MCIS Holdings Limited for the year ended 31 August 2007 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 12. 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 the director and auditors

The director's 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 Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant 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 Director's 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 Director's 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCIS HOLDINGS LIMITED (CONTINUED)

Opinion

In our opinion

- 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 result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements

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 not 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

MCIS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 August 2007

	Note	Year to 31 August 2007 £'000	6 month period to 31 August 2006 £'000
OPERATING PROFIT	2	-	-
Loss on sale of operations		-	(87)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(87)
Taxation on (loss) on ordinary activities	5	-	-
(LOSS) FOR THE FINANCIAL YEAR/ PERIOD	9	-	(87)

All of the activities of the company are classed as discontinued

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.

MCIS HOLDINGS LIMITED

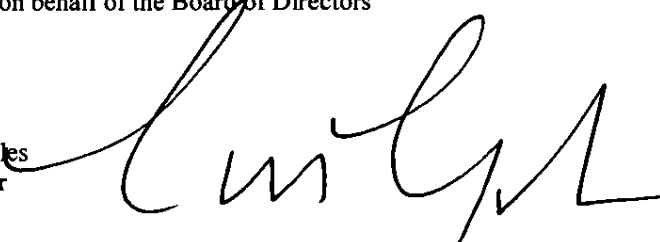
BALANCE SHEET At 31 August 2007

	Note	31 August 2007 £'000	31 August 2006 £'000
TOTAL ASSETS		<u>-</u>	<u>-</u>
CAPITAL AND RESERVES			
Called up equity share capital	8	10	10
Profit and loss account	9	(10)	(10)
SHAREHOLDERS' FUNDS	10	<u>-</u>	<u>-</u>

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



MCIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year 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

On 8 June 2006, the company sold its trade, assets and liabilities to a fellow group subsidiary and ceased trading. The company has not traded since and has no plans to become active in the future. This did not require the company to remeasure or reclassify the settlement date of any assets or liabilities.

As required by Financial Reporting Standard (FRS) 18 "Accounting Policies", the director has prepared the financial statements on the basis that the company is no longer a going concern.

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.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

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.

2. AUDIT FEES

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

3. DIRECTORS' EMOLUMENTS

Directors' Emoluments

The members of the Board of Directors are listed on page 1 of these financial statements. The directors are remunerated by Giles Insurance Brokers Limited, a subsidiary of Giles Holdings Limited. Details of their emoluments are given in the financial statements of Giles Insurance Brokers Limited. The directors do not consider it practical to allocate a percentage of their remuneration to MCIS Holdings Limited.

Employees

There are no administrative staff employed directly by MCIS Holdings Limited.

MCIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2007

4. FIXED ASSET INVESTMENTS

At 31 August 2007 the company held the entire issued share capital of the following companies

Subsidiary undertakings	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business	Aggregate share capital & reserves £'000
All held by the company					
MCIS Limited	England	Ordinary shares	100%	Non trading	2,900
BJK Insurance Brokers Limited	England	Ordinary shares	100%	Non trading	1,800

5. TAXATION ON ORDINARY ACTIVITIES

a) Analysis of charge in the period

	Year to 31 August 2007 £'000	6 month period to 31 August 2006 £'000
Current tax		
UK Corporation tax based on the results for the period at 30% (6 month period to 31 August 2006 30%)	-	-
Total current tax	-	-

b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the period differs from the standard rate of corporation tax in the UK of 30% (6 month period to 31 August 2006 30%) for the reasons below

	Year to 31 August 2007 £'000	6 month period to 31 August 2006 £'000
Loss on ordinary activities before taxation	-	(87)
Loss on ordinary activities by rate of tax	-	(26)
Expenses not deductible for tax purposes	-	26
Total current tax	-	-

MCIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2007

6. DEBTORS

Debtors at 31 August 2007 comprise amounts due from group undertakings of £1 (31 August 2006 £1)

7. RELATED PARTY TRANSACTIONS

The company is a subsidiary of Quilco 226 Limited. The company has taken advantage of the exemptions granted by 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.

8. SHARE CAPITAL

Authorised share capital:

	31 August 2007 £'000	31 August 2006 £'000
10,000 ordinary shares of £1 each	10	10

Allotted, called up and fully paid:

	31 August 2007 No	£'000	31 August 2006 No	£'000
Ordinary shares of £1 each	10,000	10	10,000	10

9. PROFIT AND LOSS ACCOUNT

	31 August 2007 £'000	31 August 2006 £'000
Balance brought forward	(10)	77
Loss for the year/ period	-	(87)
Balance carried forward	(10)	(10)

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 August 2007 £'000	31 August 2006 £'000
Loss for the year/ period	-	(87)
Net reduction in shareholders' funds	-	(87)
Opening shareholders' funds	-	87
Closing shareholders' funds	-	-

MCIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2007

11. PARENT COMPANY AND ULTIMATE HOLDING COMPANY

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

12. 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.