

Company Number 2801404

PRO Insurance Solutions Limited

Report and Accounts

31 December 2012

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DIRECTORS AND ADVISORS

Directors

G M J Erulin
D A Vaughan
T H de Menibus (Chairman)
J M D Richards
H W H Eilers (appointed 12 September 2012)
R F Lawson (CEO) (appointed 12 April 2012)

Secretary

C H E Jones

Registered Office

The Isis Building
193 Marsh Wall
London
E14 9SG

Registered Auditor

Mazars LLP
Tower Bridge House
St Katharine's Way
London E1W 1DD

Bankers

Barclays Bank plc
1 Churchill Place
Canary Wharf
London E14 5HP

Solicitors

Dewey & LeBoeuf LLP
1 Minster Court
London
EC3R 7YL

REPORT OF THE DIRECTORS

The directors present their annual report on the affairs of Pro Insurance Solutions Limited ("the Company"), together with the financial statements for the year ended 31 December 2012

Principal activity and review of business

The principal activity of the Company is to provide services and financial solutions to the (re)insurance industry. The Company provides a full range of management, consultancy and support. Additionally, the Company provides services for Tawa plc structured financial solutions.

The Company recorded a profit before taxation of £6,479 for the year (2011: £3,715,233). Income from consultancy work and performance-based incentive fees again made a significant contribution to the Company's turnover.

Dividend

The directors recommend no dividend for the year (2011: £2,000,000).

Directors and secretary

The directors and secretary of the Company who served during the year are listed on page 2.

Business environment

The Company operates primarily in the competitive UK corporate insurance service market but increasingly performs services in other countries and on behalf of non-UK clients. The Company is authorised in the UK by the Financial Services Authority and is an authorised Lloyd's broker.

Business strategy

The Company has continued the expansion of its core outsourcing and consultancy services to the (re)insurance industry and also seeks to further develop its insurance-related services both in the UK and overseas.

Future outlook

In 2012 the Company continued to diversify its client base away from the traditional run-off outsourcing and towards the consultancy-oriented market in insurance with a particular emphasis of supporting the live insurance market. Its business consultancy once again expanded by over 50% and we anticipate similar growth in 2013. In the live market there continues to be significant demand for a service provider to serve as a platform and the Company is taking advantage of these opportunities.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Charitable and political contributions

The Company made charitable contributions of £4,701 during the year (2011: £11,062). No political contributions were made in 2012 or in the prior year.

Creditor payment

It is the Company's policy in respect of all suppliers to agree payment terms in advance of the supply of goods and adhere to those terms.

Principal risks and uncertainties

The Company's financial risk management policy is to minimise the adverse financial effects of exposure to all financial risks and specifically credit risk and interest rate risk. The policies regarding the management of financial risk are set by the board of directors and are implemented by the Company's Chief Financial Officer. The following have been defined as key business risks.

Credit risk in respect of service income

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company has a policy of making appropriate checks on potential customers before service contracts are agreed.

REPORT OF THE DIRECTORS CONTINUED**Foreign exchange risk**

Foreign exchange risk is the risk that the value of assets denominated in, and profits realised in, foreign currencies will be devalued by fluctuations in exchange rates when converting to a Company's reporting currency. During the financial period the Company held cash in foreign currencies, predominantly US dollars, and does not currently hedge the value of future cash flows because of the uncertainty of timing of these flows.

Interest rate cash flow risk

Interest rate cash flow risk is the risk that the Company's cash flow will be adversely impacted by fluctuating interest rates, predominantly on funding from third parties. The Company mitigates this risk by operating without external financing debt and is not therefore exposed to the risk of fluctuating interest costs.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. Therefore the board sets a limit on the minimum value of liquid assets available to meet such obligations. Cash flow forecasting models are in place to aid the minimisation of liquidity risk.

Key Performance Indicators ('KPI')

KPI	2012	2011
Change in turnover from previous year	-18.5%	1.0%
Operating profit margin	0.2%	10.9%
Pre-tax profit margin	0.0%	11.0%
Return on capital employed (EBIT / Total Asset – current liabilities)	1.1%	56.7%
Liquidity ratio or acid test (cash at bank and in hand / current liabilities)	0.41	0.21

Directors' responsibilities statement

The Directors are responsible for preparing the Report of the Directors and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year and the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the directors must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company at the end of the year and of the profit and loss for the financial year.

In preparing these financial statements, the Directors are required to,

- select suitable accounting policies and then apply them consistently,
- make judgements 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Insurance of directors

The Company maintains insurance for the directors and senior managers in respect of their duties performed on behalf of the Company.

REPORT OF THE DIRECTORS CONTINUED

Employees

Disability

The Company operates an equal opportunities policy which meets the requirement of UK legislation on discrimination. The Company's recruitment process is designed to ensure that there is no unlawful discrimination.

If an employee joins the Company with a disability, or becomes disabled during employment, a risk assessment is carried out and where appropriate, reasonable adjustment is made to the working environment so that the employee concerned can contribute to their full potential.

The Company's equal opportunity policy covers training, career development and promotion and ensures there are no barriers to advancement for disabled employees.

Information and Consultation

During 2012 briefing sessions on the Company's progress have been held for both the management and staff, and regular information bulletins have been distributed to all employees.

All employees are encouraged to take an interest and pride in the Company's performance and the Company links staff compensation to individuals' performance.

Auditors

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all steps that they ought to have taken as a Director to make themselves 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 s418 of the Companies Act 2006.

Mazars LLP were appointed as auditors in 2011. Mazars LLP will continue as auditors in accordance with section 487(2) of the Companies Act 2006.

By Order of the Board


C H E Jones
Secretary

28 March 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PRO INSURANCE SOLUTIONS LIMITED

We have audited the financial statements of PRO Insurance Solutions Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 (APB's) Ethical Standards for Auditors. This report is made solely to the company's member 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 member those matters we are required to state to it 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 member for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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.



Sam Porritt (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD
28 March 2012

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2012

	Notes	2012 £	As restated 2011 £
Turnover		21,257,643	26,087,593
Administrative expenses		(21,207,922)	(22,404,763)
Other operating income		-	664
Operating profit		49,721	3,683,494
Interest receivable & similar income	2	5,070	31,746
Interest payable & similar charges	3	(48,312)	(7)
Profit on ordinary activities before taxation	4	6,479	3,715,233
Tax on profit on ordinary activities	5	(53,164)	(1,211,727)
Retained (loss)/profit for the financial year		(46,685)	2,503,506

All amounts relate to continuing activities

There were no recognised gains or losses other than those included in the profit and loss account for the current and prior years and therefore no separate statement of total recognised gains and losses has been presented


The notes also form an integral part of these financial statements

BALANCE SHEET

As at 31 December 2012

	Notes	2012 £	As restated 2011 £
Fixed assets			
Tangible assets	11	817,879	1,157,133
Investments	12	1	-
		<u>817,880</u>	<u>1,157,133</u>
Current assets			
Debtors - amounts falling due within one year	13	10,177,609	14,281,880
Cash at bank and in hand		<u>4,469,278</u>	<u>2,407,919</u>
		14,646,887	16,689,799
Current liabilities			
Creditors - amounts falling due within one year	14	(10,893,921)	(11,350,636)
		<u>3,752,966</u>	<u>5,339,163</u>
Net current assets			
		4,570,846	6,496,296
Total assets less current liabilities			
Creditors - amounts falling due after one year	15	(151,031)	(385,756)
Provisions for liabilities and similar charges	16	(1,819,027)	(1,466,757)
		<u>2,600,788</u>	<u>4,643,783</u>
Net assets			
Capital and reserves			
Called up share capital	17	250,002	250,002
Profit and loss account	18	<u>2,350,786</u>	<u>4,393,781</u>
Equity shareholder's funds		<u>2,600,788</u>	<u>4,643,783</u>

These financial statements were approved by the Board on 19 March 2013 and were signed on its behalf on 28 March 2013 by


G M J Erulin
Director


D A Vaughan
Director

Company No 2801404

NOTES TO THE ACCOUNTS

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

a) Basis of accounting

These accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards. The Company is exempt from the requirement to produce group accounts under s400 of the Companies Act 2006 on the basis that its ultimate parent, as set out in note 21, is an EU entity which prepares group accounts.

The presentation of expenses met on behalf of other group companies has changed during the period. Further details and the financial impact of this change may be found in note 1(k). The comparative profit and loss account has been restated.

b) Going Concern

The Company's activities, together with factors likely to affect its future development, performance and position are set out in the Report of the directors on page 3. In addition the section on Risk Management includes an analysis of the risks the Company faces and its policies for mitigating those risks.

The Company has considerable financial resources together with long-term contracts with a number of clients across different geographic areas. As a consequence, the directors believe that the Company is well placed to manage its business risk successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. As of this date, there are no post balance sheet events to suggest any going concern issues.

c) Cash flow statement

In accordance with the exemption given in Financial Reporting Standard 1 (Revised 1996) "Cash Flow Statements", the Company has not prepared a cash flow statement since it is a subsidiary undertaking of Tawa plc where 90% or more of the voting rights are controlled within the group and the parent company prepares consolidated financial statements. The financial statements of Tawa plc are publicly available.

d) Tangible fixed assets, depreciation and impairment

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided to write off the cost, less the estimated residual value of tangible fixed assets. Depreciation is provided as follows:

Computer software developed in house	33% per annum
Computer equipment – desk top & laptop PCs	33% per annum
Motor vehicles	20% reducing balance
Office equipment	20% reducing balance
Computer equipment - other	33% reducing balance

Fixed assets are also subject to annual review for impairment. Any impairment charge is included within operating profits.

e) Fixed asset investments

Fixed asset investments are held at cost less any provision for permanent diminution in value.

f) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Accounting policies (continued)**g) Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The charge for taxation is based on the profit for the year and takes into account deferred taxation. Deferred taxation is provided in full on timing differences between recognition of gains and losses in the financial statements and the recognition for taxation purposes. Deferred taxation liabilities are provided in relation to transactions that have occurred by the balance sheet date. Deferred taxation assets are recognised when it is considered that the benefit is more likely than not to accrue to the Company. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

h) Turnover

Turnover is attributable to providing management, run-off administration and professional services relating to the insurance industry. Fees are recognised in the profit and loss account over the period to which the services relate, with the exception of incentive fees. Incentive fees are attributable to providing transaction facilitation and structuring services and are recognised over 3 quarters from the date in which the service is provided, with the balance being recorded as "deferred income".

i) Pensions

The pension scheme for the employees of PRO Insurance Solutions Limited is a defined contribution scheme. Contributions are expensed as they become payable.

j) Provisions

The Company has recognised provision for costs that the Company expects to incur as a result of transactions, actions or commitments that had taken place at the balance sheet date.

k) Group expenses

Amounts payable on behalf of Group undertakings are included in debtors amounts owed by group undertakings and are not disclosed within the Company's profit and loss account. This is a change of approach from the previous accounting period. This treatment more accurately reflects the substance of these transactions in that they are not an operating expense for the Company. The Company administers settlement on behalf of group undertakings for no consideration. The 2011 turnover and administrative expenses comparatives within the profit and loss account have therefore been reduced by £7,541,584.

l) Insurance debtors and creditors

The company acts as agent in broking the insurable risks of clients and normally is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationship with clients and underwriters, the company has followed generally accepted accounting practice for insurance intermediaries by showing debtors, creditors and cash balances relating to insurance business as assets and liabilities of the company itself. This recognises that the company is entitled to retain the investment income on any cash flows arising from these transactions.

In the ordinary course of insurance broking business, settlement is required to be made with certain market settlement bureaux, insurance intermediaries or insurance companies on the basis of the net balance due to or from them rather than the amount due to or from the individual third parties which it represents.

However, under Financial Reporting Standard 5 ("FRS5"), assets and liabilities may not be offset unless net settlement is legally enforceable, and therefore insurance broking debtors and creditors are shown gross within these financial statements.

The 2011 current liabilities and current assets comparatives within the balance sheet have been adjusted by £1,996,987 to reflect the policy above.

2. Interest receivable and other income

	2012 £	2011 £
Bank interest	5,070	4,221
Foreign exchange gain	-	27,525
	<u>5,070</u>	<u>31,746</u>

Interest income is included in the profit and loss account on an accruals basis.

3. Interest payable and similar charges

	2012	2011
	£	£
Interest payable	245	7
Foreign exchange loss	48,067	-
	<u>48,312</u>	<u>7</u>

4 Profit on ordinary activities before taxation

	2012	As restated 2011
	£	£
The profit on ordinary activities before taxation is stated after charging		
Depreciation	355,464	317,689
Auditors' remuneration for audit work	16,200	15,700
Auditors' remuneration for other services pursuant to legislation	12,535	11,300
Rental of land and buildings – operating leases	801,782	739,015
Share based payments expenses	<u>3,690</u>	<u>7,268</u>

Rental of land and buildings has been restated as part of the prior year adjustment detailed in note 1(k), the 2011 rental cost previously reported was £784,871

5 Taxation

	2012	2011
	£	£
Current tax		
UK corporation tax on income for the period	(110,495)	894,970
Adjustments in respect of prior periods	<u>5,485</u>	<u>143,060</u>
Total current tax	<u>(105,010)</u>	<u>1,038,030</u>
Deferred tax		
Accelerated capital allowances and short term timing differences	<u>158,174</u>	<u>173,697</u>
Tax on profit on ordinary activities	<u>53,164</u>	<u>1,211,727</u>
 Profit on ordinary activities before tax	 <u>6,479</u>	 <u>3,715,233</u>
 Tax on profit on ordinary activities at standard UK corporation tax rate of 24.5% (2011 26.5%)	 1,587	 984,536
 Effects of		
Expenses not deductible for tax purposes	95,710	(74,035)
Timing differences	(49,618)	(15,531)
Adjustment in respect of prior periods	<u>5,485</u>	<u>143,060</u>
Total current tax	<u>53,164</u>	<u>1,038,030</u>
 Deferred taxation balance		
Accelerated capital allowances	198,306	36,936
Other timing differences	<u>59,872</u>	<u>379,416</u>
Asset	<u>258,178</u>	<u>416,352</u>
Opening balance	416,352	590,049
Charge to profit and loss	<u>(158,174)</u>	<u>(173,697)</u>
Closing balance	<u>258,178</u>	<u>416,352</u>

6. Remuneration of Directors

	2012	2011
	£	£
Directors' emoluments	277,614	24,000
Directors' pension contributions	22,950	-
Highest paid director emoluments	215,179	14,000
Highest paid director pension contributions	<u>22,950</u>	<u>-</u>

G M J Erulin and D A Vaughan are executives of the parent company, Tawa plc. It is not practicable to allocate this between their services as executives of Tawa plc and their services as the Company's directors of the subsidiaries, as a result they are not included in the above figures

7. Staff numbers and costs

	2012	As restated 2011
	£	£
Salaries	11,378,833	12,184,531
Social security costs	1,291,455	1,246,930
Pension costs	1,449,381	1,466,704
Share options	3,690	7,268
Restructuring costs	<u>1,675,466</u>	<u>180,252</u>
	<u>15,798,825</u>	<u>15,085,685</u>

	2012	2011
Outsourcing	121	124
Consultancy	42	30
Actuarial	6	3
Executive & Management	26	26
Support	46	50
Incubator	<u>4</u>	<u>5</u>
Average number of persons employed by the Company	<u>245</u>	<u>238</u>

2011 staff costs have been restated as part of the prior year adjustment detailed in note 1(k), total staff costs as previously reported were £15,850,626

All staff are employed within the United Kingdom

The pension scheme for PRO Insurance Solutions Ltd is a defined contribution scheme. The pension charge for the period relating to the defined contribution scheme was £1,449,381 (2011 £1,466,704 as restated). The Company has no further obligation towards post-retirement funding.

8. Operating lease

Costs in respect of operating leases are charged on a straight line basis over the term of the lease. The Company has three lease agreements all of which contain rent free periods. The benefit received relating to the rent free period is allocated over the life of the lease term. The rent payable per year for Bruton Court is £300,000 and expires March 2013. There are two rental agreements in respect of Walsingham House, 6th Floor is £111,046 per year and Ground Floor is £62,989 per year, both leases expire December 2015.

9. Dividends

During the year the proposed 2011 dividend of 8p per share totalling £2,000,000 was paid to Tawa plc (2011 £2,000,000). No dividend is proposed for the year ended 31 December 2012.

10 Share based payments**Share awards**

The Company operates a single share plan that was introduced in 2007, being the Performance Share Plan which is designed to align the interests of senior management and shareholders to deliver outstanding results

The Performance Share Plan

The Performance Share Plan provides for the grant of awards over Ordinary Shares. The vesting of awards granted to Executive Directors and senior management are subject to performance conditions set by the Remuneration Committee on or prior to the grant of an award. Awards normally vest on the third anniversary of the date of grant, subject to the satisfaction of relevant performance conditions and to the employee being either an employee or Director within the Tawa Group on that date.

Awards made in 2009 lapsed

The tranche of awards to Executive Directors and senior executives during the year were subject to the conditions detailed in the parent company's report, Tawa plc.

In addition to the satisfaction of performance conditions, the vesting of these awards is subject to the Executive Director and senior executive being either an employee or Director within the Tawa Group on the third anniversary of date of grant, except in the case of the award granted to Gilles Erulin, who is required to be an employee or Director within the Tawa Group on 30 March 2013 for awards made in 2010, and 30 March 2014 for awards made in 2011.

Details of the shares outstanding under the Tawa Share Plans during the year are detailed in the Tawa plc's statements.

The Company recognised total expenses of £3,690 (2011: £7,268) related to share based payments in 2012.

11. Tangible assets

	Motor Vehicles	Office Equipment	Computer Equipment	Computer software in house development	Total
Cost	£	£	£	£	£
At 31 December 2011	10,607	521,689	3,482,811	1,076,165	5,091,272
Additions during the year	-	2,226	13,984	-	16,210
Cost at 31 December 2012	<u>10,607</u>	<u>523,915</u>	<u>3,496,795</u>	<u>1,076,165</u>	<u>5,107,482</u>
Depreciation					
At 31 December 2011	8,679	323,993	2,525,302	1,076,165	3,934,139
Annual charge	386	40,011	315,067	-	355,464
At 31 December 2012	<u>9,065</u>	<u>364,004</u>	<u>2,840,369</u>	<u>1,076,165</u>	<u>4,289,603</u>
Net book value					
At 31 December 2011	<u>1,928</u>	<u>197,696</u>	<u>957,509</u>	<u>-</u>	<u>1,157,133</u>
At 31 December 2012	<u>1,542</u>	<u>159,911</u>	<u>656,426</u>	<u>-</u>	<u>817,879</u>

12. Investments

	2012	2011
Cost	£	£
At 1 January	-	10,712
New investment during year	1	-
Impaired during year	-	(10,712)
At 31 December	<u>1</u>	<u>-</u>

Information on investments	Country of incorporation	Principal activity	Class and number
ASS GmbH	Germany	Insurance services	1 Ordinary Shares €1 (1%)

13 Debtors – amounts due within one year

	2012	As restated 2011
	£	£
Trade debtors	1,192,068	671,513
Prepayments and accrued income	2,366,152	2,807,290
Amounts owed by group undertakings	1,804,041	7,980,093
Pension contributions	17,745	-
Deferred tax asset	258,178	416,352
Broker debtors	4,310,081	1,996,987
Other debtors	<u>229,344</u>	<u>409,645</u>
	<u>10,177,609</u>	<u>14,281,880</u>

2011 debtors have been restated to recognise broker debtors as detailed in note 1(l)

14 Creditors – amounts falling due within one year

	2012	As restated 2011
	£	£
Trade creditors	573,363	1,706,971
Corporation tax	1,907,408	2,012,419
Other taxation and social security	577,493	685,492
Accruals and deferred income	2,349,656	4,132,091
Pension contributions	-	249,864
Unsettled dividends	10	10
Lease creditor	23,125	45,120
Broker creditor	<u>5,462,866</u>	<u>2,518,669</u>
	<u>10,893,921</u>	<u>11,350,636</u>

The 2011 broker creditor balance has been restated to include the liabilities relating to the broker debtor balance recognised as detailed in note 1(l) and note 13 above

Amounts owed by/to group undertakings are unsecured, interest free, have no fixed date of repayment and are payable on demand. Included in the corporation tax creditor are amounts owed to group undertakings in respect of group relief payable

15 Creditors – amounts falling due after one year

	2012	2011
	£	£
Accruals and deferred income	<u>151,031</u>	<u>385,756</u>

16 Provisions for liabilities and charges

	2012	2011
	£	£
Building		
Opening balance	1,040,796	992,964
Utilised in the year	-	-
Movement in building provision	(796,421)	47,832
	<u>244,375</u>	<u>1,040,796</u>
Restructuring		
Opening balance	425,961	1,472,201
Utilised in the year	(425,961)	-
Movement in restructuring	1,574,652	(1,046,240)
	<u>1,574,652</u>	<u>425,961</u>
Total provision	<u>1,819,027</u>	<u>1,466,757</u>

17. Called up share capital

	2012	2011
	£	£
Authorised		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
Allotted issued and fully paid.	£	£
250,002 Ordinary shares of £1	<u>250,002</u>	<u>250,002</u>

18. Reserves

	Share based payments	Profit and loss account	Total
	£	£	£
Opening balance	25,657	4,368,124	4,393,781
(Loss)/profit for the year	-	(46,685)	(46,685)
Share based payments charge for year	3,690	-	3,690
Dividend paid	-	(2,000,000)	(2,000,000)
	<u>29,347</u>	<u>2,321,439</u>	<u>2,350,786</u>

19. Reconciliation of movement in shareholder's funds

	2012	2011
	£	£
Opening shareholder's funds	4,643,783	4,133,009
Share based payments	3,690	7,268
(Loss)/profit for the financial year	(46,685)	2,503,506
Dividend paid	(2,000,000)	(2,000,000)
Closing shareholder's funds	<u>2,600,788</u>	<u>4,643,783</u>

20. Related party transactions

Under FRS 8, the Company is exempt from the requirement to disclose related party transactions with other members of the Tawa group on the grounds that it is a wholly owned subsidiary of Tawa plc

21 Parent company

In the opinion of the Directors, the ultimate parent company and ultimate controlling party is Financière Pinault S C A , a Société en commandite par actions incorporated in France. The parent undertaking of the largest group which includes the Company and for which group accounts are prepared is Financière Pinault, a company incorporated in France. Copies of the group financial statements of Financière Pinault S C A may be obtained from the Greffe du Tribunal de commerce de Paris, 1 Quai de la Corse, 75198 Paris, France. The parent undertaking of the smallest group, which includes the Company and for which group accounts are prepared is Tawa plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the financial statements of Tawa plc are obtainable from the Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ.