

ARGENT INSURANCE PRACTICE LIMITED

FINANCIAL STATEMENTS

30 JUNE 2007

COMPANY NUMBER 2810267

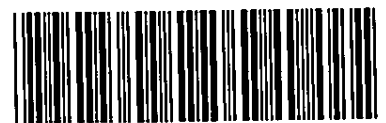


A COMPANY OF THE

equity

INSURANCE GROUP

FRIDAY



LO4GFZ6D

LD3

25/04/2008

187

COMPANIES HOUSE

ARGENT INSURANCE PRACTICE LIMITED
FINANCIAL STATEMENTS – 30 JUNE 2007

CONTENTS

	Page
DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
NOTES TO THE FINANCIAL STATEMENTS	6

ARGENT INSURANCE PRACTICE LIMITED

DIRECTORS' REPORT (continued) For the period ended 30 June 2007

The directors present their report and the unaudited financial statements of the Company for the period ended 30 June 2007

DIRECTORS

The directors of the Company who served during the period under review were as follows

M Hutton
N Potts
I Sutherland
M Woods

COMPANY SECRETARY

The Company secretary who served during the period under review was as follows

V L Cuggy
S Griffin (appointed 31 August 2007)

REVIEW OF THE BUSINESS

The company ceased trading in 2005 and became dormant. The directors expect the company to remain dormant for the foreseeable future.

On 8 January 2007 the Company's ultimate UK parent company changed from EIG (Finance) Limited ("EIGFL") to IAG UK Holdings Limited ("IAG UK") when the entire share capital of EIG (Investments) Limited ("EIGIL") and all third party interest in the share capital of its associated undertaking EIGFL was acquired by IAG UK, the UK holding company of Insurance Australia Group Limited, for consideration of approximately £570,000,000. This followed the public announcement of the offer on 4 December 2006 and the obtaining of the necessary regulatory approval from both the FSA and Lloyd's.

As part of the transaction, £317,579,000 of share capital was issued by EIGIL to IAG UK and £317,579,000 of share capital was issued by EIGFL to EIGIL, thereby changing the status of EIGFL, the former ultimate parent of the Company, from an associated undertaking to a subsidiary undertaking of EIGIL. In addition, EIG (Acquisitions) Limited ("EIGAL"), an intermediate parent of the Company, issued £228,887,000 of share capital to EIGFL. On the same day the new group headed by IAG UK restructured its group balance sheet by settling syndicated bank debt and accrued interest of £228,788,000 in EIGAL and deep discounted bonds ("DDB") of £140,767,000 in EIGFL. Bank debt break costs of £667,000 and DDB redemption premiums of £1,789,000 incurred in respect of the early repayment of debt in EIGAL and EIGFL were also settled and have been provided for in the relevant company's financial statements. The remaining unamortised balance of deferred financing costs of £8,822,000 in respect of the bank debt was written off in the year ended 31 December 2006. This is in addition to the ordinary amortisation of £1,931,000 charged in the year ended 31 December 2006. EIGFL settled its deep discounted bonds of £140,767,000 and redemption premiums of £1,789,000 which was provided for in EIGFL's financial statements. The remaining unamortised balance of deferred financing costs of £3,277,000 in respect of this debt was written off in the year ended 31 December 2006. This is in addition to the ordinary amortisation of £368,000 charged in 2006.

In order to be consistent with Insurance Australia Group Limited, the Company has changed its year end to 30 June and has decided to present a short period set of financial statements to 30 June 2007.

ARGENT INSURANCE PRACTICE LIMITED

DIRECTORS' REPORT (continued)

For the period ended 30 June 2007

EMPLOYEES

During the period all staff were employed Equity Insurance Management Limited, a fellow subsidiary undertaking of IAG UK Holdings Limited, the Company's ultimate UK parent company

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political or charitable donations or incurred any political expenditure during the period

LIABILITY INSURANCE FOR COMPANY OFFICERS, GROUP DIRECTORS AND OFFICERS

As permitted by the Companies Act 1985, the Group has maintained insurance cover for directors and officers against liabilities arising in relation to the Group

ELECTIVE RESOLUTION

An Elective Resolution has been made by the shareholders of the Company to dispense with the laying of accounts and reports before the Company in general meeting under Section 252 of the Companies Act 1985 and to dispense with the holding of Annual General meetings under Section 366A of the Companies Act 1985

By order of the board



S Griffin
Secretary

22 April 2008

ARGENT INSURANCE PRACTICE LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES

For the period ended 30 June 2007

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 its financial statements comply with the Companies Act 1985. 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.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ARGENT INSURANCE PRACTICE LIMITED

PROFIT AND LOSS ACCOUNT

For the period ended 30 June 2007

		Period ended 30 June 2007 £	Year ended 31 December 2006 £
	Note		
PROFIT /(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on loss on ordinary activities	3	-	(2,080,637)
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		-	(2,080,637)
		<hr/>	<hr/>

All amounts relate to discontinued operations

There are no recognised gains or losses other than the results above and therefore no separate statements of total recognised gains and losses have been presented

There is no difference between the profits on ordinary activities before tax and the retained profits for the financial period stated above, and their historical cost equivalents

The notes on pages 6 to 9 form an integral part of these financial statements

ARGENT INSURANCE PRACTICE LIMITED

BALANCE SHEET

As at 30 June 2007

	Note	£	30 June 2007 £	£	31 December 2006 £
CURRENT ASSETS					
Debtors	5	1,119,930		1,119,930	
NET CURRENT ASSETS			1,119,930		1,119,930
NET ASSETS			1,119,930		1,119,930
Share capital	6		483,433		483,433
Share premium	6		129,954		129,954
Profit and loss account	7		506,543		506,543
SHAREHOLDER'S FUNDS	8		1,119,930		1,119,930

For the period ended 30 June 2007 the Company was entitled to the exemption under section 249AA (1) of the Companies Act 1985

Members have not required the Company to obtain an audit in accordance with section 249(B) (2) of the Companies Act 1985

The directors acknowledge their responsibility for

- ensuring the Company keeps accounting records which comply with section 221, and
- preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial period, and of its profit or loss for the period, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company

These financial statements on pages 4 to 9 were approved by the board of directors on 22 April 2008 and signed on its behalf by



I Sutherland
Director

22 April 2008

The notes on pages 6 to 9 form an integral part of these financial statements

ARGENT INSURANCE PRACTICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 30 June 2007

1. STATEMENT OF ACCOUNTING POLICIES

a. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention and the accounting policies set out below

The accounts have been prepared on the going concern basis which the directors believe to be appropriate

b. Group accounts

The Company is a wholly-owned subsidiary of IAG UK Holdings Limited. In accordance with section 228 of the Companies Act 1985, it took advantage of the exemption to prepare and deliver Group Accounts to the Registrar since there was a full consolidation in the consolidated financial statements of Insurance Australia Group Limited, the ultimate parent company, a company incorporated in Australia

c. Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) as a result of the Company being a wholly owned subsidiary of Insurance Australia Group Limited, which prepares consolidated financial statements

d. Related parties

The Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Insurance Australia Group Limited

2. DIRECTORS' EMOLUMENTS

The emoluments of M Hutton, N Potts, I Sutherland and M Woods are paid by EIML and charged to Equity Insurance Brokers Limited ("EIBL"). There has been no recharge (2006 – none) from EIBL to the Company in respect of their services as directors' of the Company

The directors' emoluments, excluding pension contributions, during the period amounted to £nil (2006 - £nil)

The group headed by IAG UK Holdings Limited provides a number of pension schemes. The aggregate value of Company contributions in respect of the directors during the period amounted to £nil (2006 - £nil)

During 2006 and 2007 there were no directors in the Group's defined benefit scheme and 4 (2006 - 4) directors in the Group's defined contribution scheme

ARGENT INSURANCE PRACTICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the period ended 30 June 2007

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in period

	Period ended 30 June 2007 £	Year ended 31 December 2006 £
Current tax		
UK corporation tax on profits of the period	-	2,080,637
Tax on profit on ordinary activities	-	2,080,637

(b) Factors affecting tax charge for period

	Period ended 30 June 2007 £	Year ended 31 December 2006 £
Profit on ordinary activities before taxation	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 – 30%)	-	-
Effects of		
Adjustments in relation to prior periods	-	2,080,637
Current tax charge for period (note 4(a))	-	2,080,637

4. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The Company owns 100% of the ordinary share capital of the following companies

Subsidiary	Principal Activity	Country of Incorporation
Bennetts UK Limited	Insurance Broking (Dormant)	England
J McWhirter (Insurance Brokers) Limited	Insurance Broking (Dormant)	Northern Ireland

ARGENT INSURANCE PRACTICE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the period ended 30 June 2007****5. DEBTORS**

	30 June 2007 £	31 December 2006 £
Amounts due from group undertakings	1,119,930	1,119,930

6. CALLED UP SHARE CAPITAL AND SHARE PREMIUM

	30 June 2007 £	31 December 2006 £
Authorised 483,433 ordinary shares of £1 each	483,433	483,433
Allotted, issued and fully paid 483,433 ordinary shares of £1 each	483,433	483,433
Share premium arising on issuance of ordinary shares	129,954	129,954

7. PROFIT AND LOSS ACCOUNT

	Period ended 30 June 2007 £	Year ended 31 December 2006 £
At 1 January	506,543	2,587,180
(Loss) for the financial period	-	(2,080,637)
At 30 June	506,543	506,543

ARGENT INSURANCE PRACTICE LIMITED

PROFIT AND LOSS ACCOUNT

For the period ended 30 June 2007

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	30 June 2007 £	31 December 2006 £
At 1 January	1,119,930	3,200,567
(Loss) for the financial period	-	(2,080,637)
At 30 June	1,119,930	1,119,930

9. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Equity Broking Management Limited

The ultimate UK parent undertaking is IAG UK Holdings Limited. Copies of IAG UK Holdings Limited financial statements can be obtained from the Company Secretary at Library House, New Road, Brentwood, Essex, CM14 4GD

The ultimate parent undertaking is Insurance Australia Group Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Insurance Australia Group Limited's registered address is 388 George Street, Sydney, NSW 2000, Australia