

REGISTERED NUMBER. 2872555

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007  
FOR  
INSURANCE DATABASE SERVICES LIMITED**

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**INSURANCE DATABASE SERVICES LIMITED**  
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**FOR THE YEAR ENDED 31 DECEMBER 2007**

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**INSURANCE DATABASE SERVICES LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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**DIRECTORS:**

M G Richardson  
A Cairns  
M Cooper  
M McLachlan  
F Fundell  
P S Nunn  
B G Smith  
R E Watson

**SECRETARY**

B Louisy

**REGISTERED OFFICE:**

51 Gresham Street  
London  
EC2V 7HQ

**REGISTERED NUMBER:**

2872555

**AUDITORS:**

Wilkins Kennedy  
Registered Auditors  
Bridge House  
London Bridge  
London  
SE1 9QR

## **INSURANCE DATABASE SERVICES LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2007**

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The directors present their report with the financial statements of the company for the year ended 31 December 2007

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is to oversee the establishment and operation of a series of anti-fraud registers for use by the insurance industry. The company acting on behalf of insurers have established contracts with both Expenan and CRIF Decision Solutions Ltd to provide various databases for this purpose.

The company is limited by guarantee, its members at any point in time being any person subscribing to its services. As at 31 December 2007 after taking account of both new members and industry mergers, its total membership was 63 insurance companies, Lloyds Underwriting agencies and compensators (2006: 59).

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report.

M G Richardson  
A Cairns  
M Cooper  
M McLachlan  
F Fundell  
P S Nunn

Other changes in directors holding office are as follows:

R Facer - resigned 22 May 2007  
P F Kassell - resigned 10 July 2007  
T J Bedeman - resigned 13 February 2007  
S Roberts - resigned 19 October 2007  
D J Blacow - appointed 21 November 2007  
B G Smith - appointed 22 May 2007  
R E Watson - appointed 21 November 2007

D J Blacow ceased to be a director after 31 December 2007 but prior to the date of this report.

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the company made no charitable or political donations (2006: £Nil).

#### **RESULTS AND DIVIDENDS**

The company's results for the financial year are set out in the profit and loss account on page 5.  
The directors recommend that no dividend be paid for the year (2006: £Nil).

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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). 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 judgements and estimates that are reasonable and prudent,
- 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 which 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 1985. 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.

**INSURANCE DATABASE SERVICES LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

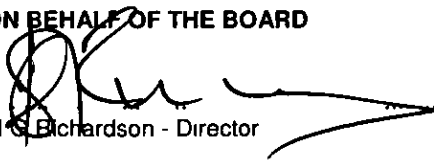
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**AUDITORS**

The auditors, Wilkins Kennedy, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

**ON BEHALF OF THE BOARD**



M. S. Richardson - Director

Date 20 May 2008

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSURANCE DATABASE SERVICES LIMITED

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We have audited the financial statements of Insurance Database Services Limited for the year ended 31 December 2007 on pages five to nine. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 directors and auditors**

The directors' 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 on page two.

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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

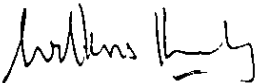
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its profit 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 Report of the Directors is consistent with the financial statements.



Wilkins Kennedy  
Registered Auditors  
Bridge House  
London Bridge  
London  
SE1 9QR

Date 22 May 2008

**INSURANCE DATABASE SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	31 12.07 £	31 12 06 £
<b>TURNOVER</b>	2	<b>588,040</b>	2,604,766
Administrative expenses		<u>567,927</u>	<u>2,581,870</u>
		20,113	22,896
Other operating income		<u>61,683</u>	-
<b>OPERATING PROFIT</b>	3	<b>81,796</b>	22,896
Interest receivable and similar income	4	<u>16,487</u>	<u>19,372</u>
		98,283	42,268
Interest payable and similar charges		<u>368</u>	<u>436</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>97,915</b>	41,832
Tax on profit on ordinary activities	5	<u>3,329</u>	<u>3,250</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><b>94,586</b></u>	<u><b>38,582</b></u>

The notes form part of these financial statements

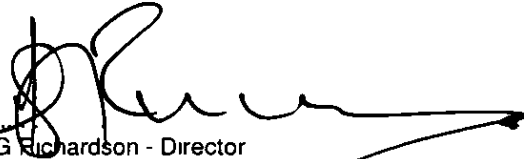
# INSURANCE DATABASE SERVICES LIMITED

## BALANCE SHEET 31 DECEMBER 2007

	Notes	31 12 07 £	31 12 06 £
<b>CURRENT ASSETS</b>			
Debtors	6	161,238	547,872
Cash at bank and in hand		<u>329,846</u>	<u>123,611</u>
		491,084	671,483
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>250,710</u>	<u>525,695</u>
<b>NET CURRENT ASSETS</b>		<u>240,374</u>	<u>145,788</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>240,374</u>	<u>145,788</u>
<b>RESERVES</b>			
Profit and loss account	8	<u>240,374</u>	<u>145,788</u>
		<u>240,374</u>	<u>145,788</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements were approved by the Board of Directors on 20 May 2008 and were signed on its behalf by

  
M G Richardson - Director

The notes form part of these financial statements

# INSURANCE DATABASE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 1 ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

#### Turnover

Turnover represents the total invoiced value, which excludes value added tax, in respect of levies raised on its members to cover the cash required to meet the company's expenditure within the year

#### Research and development

Expenditure on research and development is written off in the year in which it is incurred

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

### 2 TURNOVER

Turnover for the year of £588,040 (2006 £2,604,766) represents fees invoiced or credits issued in respect of members wishing to participate in the services of the company

Turnover and profit before taxation are attributable to the principal activity. Turnover is generated solely from UK operations

### 3 OPERATING PROFIT

The operating profit is stated after charging

	31.12.07	31.12.06
	£	£
Audit services	<u>4,500</u>	<u>3,500</u>
Directors' emoluments and other benefits etc	<u>135,000</u>	<u>75,000</u>

### 4 INTEREST RECEIVABLE AND SIMILAR INCOME

	31.12.07	31.12.06
	£	£
Bank interest receivable	13,716	15,335
Other interest receivable	<u>2,771</u>	<u>4,037</u>
	<u>16,487</u>	<u>19,372</u>

### 5 TAXATION

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31.12.07	31.12.06
	£	£
Current tax		
UK corporation tax	<u>3,329</u>	<u>3,250</u>
Tax on profit on ordinary activities	<u>3,329</u>	<u>3,250</u>

**INSURANCE DATABASE SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**5 TAXATION - continued**

**Factors affecting the tax charge**

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

	31.12.07 £	31.12.06 £
Profit on ordinary activities before tax	<u>97,915</u>	<u>41,832</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	29,375	12,550
Effects of Expenses deductible for tax purposes (company deemed to be not trading)	(24,429)	(6,738)
Marginal relief and effects of lower rate tax bands	(1,689)	(2,562)
Adjustment for tax on prior years	72	-
	<u>3,329</u>	<u>3,250</u>
Current tax charge	<u>3,329</u>	<u>3,250</u>

**6 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.07 £	31.12.06 £
Trade debtors	20,746	232,000
Other debtors	<u>140,492</u>	<u>315,872</u>
	<u>161,238</u>	<u>547,872</u>

Included within other debtors for 2007 is an amount of £61,683 (2006 £41,505) relating to activities of the Insurance Fraud Bureau (IFB). All activities of the IFB were transferred out of the company on 1 January 2007.

**7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.07 £	31.12.06 £
Trade creditors	7,418	41,976
Taxation and social security	3,257	3,250
Other creditors	<u>240,035</u>	<u>480,469</u>
	<u>250,710</u>	<u>525,695</u>

In a supply of services agreement between the company and CRIF Decision Solutions Limited, (CRIF), CRIF has paid the company a £50,000 deposit. CRIF will forfeit the deposit and any interest earned, if it commits a material breach of the agreement. The company is required to hold the deposit in a separate interest bearing account and any interest earned shall be credited to that account.

The company is required to repay the deposit, together with any interest accrued, within 30 days of the termination of the agreement.

The CRIF deposit is included within other creditors and also within the cash and bank figure.

**INSURANCE DATABASE SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**8 RESERVES**

	<b>Profit and loss account £</b>
At 1 January 2007	<b>145,788</b>
Profit for the year	<b><u>94,586</u></b>
At 31 December 2007	<b><u>240,374</u></b>

**9 RELATED PARTY DISCLOSURES**

The company is limited by guarantee, its members at any point in time being any person subscribing to its services. Consequently, all revenues generated during the period are derived from the company's members.

In addition to its subscribers, for reasons of governance and common purpose, Polaris U K Limited is also a member of the company. Polaris U K Limited operated the payroll for the company and also provided office space. The costs relating to these services which were recharged to the company on an arms length basis are detailed below.

	<b>2007 £</b>	<b>2006 £</b>
Payroll costs	<b>183,216</b>	<b>323,025</b>
Use of offices	<b>14,400</b>	<b>14,400</b>

**10 MEMBERS' GUARANTEE**

The company is limited by guarantee from its members. Each member of the company undertakes to contribute such amount as may be required, not to exceed £1,000, to the company's assets if it should be wound up while he is a member or within one year after he ceases to be a member. This would be for payment of the company's debts and liabilities contracted before ceasing to be a member and of the costs, charges and expenses of the winding up and for adjustment of the rights of the contributories' amounts themselves.