

2928787

# **Abraxas Insurance Administration Services Limited**

## **Report and Financial Statements**

For the 17 month period ended 31 December 2005



# Abraxas Insurance Administration Services Limited

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Registered No: 02928787

## **Directors**

Alfredo Munoz Perez  
Antimissaris Nikolaos  
Noel Quirke  
Rafael Senen Garcia  
Anthony Gasking

## **Secretary**

Quayseco Limited  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4AH

## **Auditors**

Ernst & Young LLP  
One Bridewell Street  
Bristol  
BS1 2AA

## **Bankers**

The Royal Bank of Scotland  
Bristol Clifton Branch  
50-52a Whiteladies Road  
Clifton  
Bristol  
BS8 2NH

## **Registered Office**

Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4AH

## Directors' report

The directors present their report and the financial statements for the 17 month period ended 31 December 2005.

### Results and dividends

The results of the company are set out on page 7. The directors have paid the following dividends:

	<i>17 month period ended</i>	
	<i>31 December 2005</i>	<i>31 July 2004</i>
	<i>£</i>	<i>£</i>
Dividends paid on ordinary shares	1,185,637	200,000
Proposed dividends on ordinary shares	-	1,247,000
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### Principal activities and review of the business

The principal activity of the company during the period was that of the sale of insurance products.

The company and its parent undertaking were acquired by Mapfre Asistencia S.A on 5 July 2005.

The directors are confident that the company will remain profitable for the foreseeable future.

### Management of risk

In accordance with schedule 7 to the Companies Act 1985, the Directors have considered the exposure of the company to risk, and management thereof.

In the view of the Directors, the company is subject to credit risk. Credit risk is the risk of loss due to counterparties failing to meet all or part of their financial obligations in a timely fashion. The principal credit risk arises from exposure to counterparties through contracts and bank deposits. The directors are satisfied there are adequate procedures in place to control counterparty default.

### Directors and their interests

The directors who held office during the period were as follows:

Alexander McLean	(Resigned 28 February 2006)
Marina McLean	(Resigned 5 July 2005)
Neil Lewis	(Resigned 5 July 2005)
Primitivo de Vega Zamora	(Appointed 5 July 2005 and resigned 10 February 2006)
Alfredo Munoz Perez	(Appointed 5 July 2005)
Antimissaris Nikolaos	(Appointed 5 July 2005)
Noel Quirke	(Appointed 5 July 2005)
Rafael Senen Garcia	(Appointed 5 July 2005)
Anthony Gasking	(Appointed 19 December 2005)

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

The directors interests in the shares of the other Abraxas companies are disclosed in the financial statements of the immediate parent undertaking, Abraxas Software Limited.

## Directors' report

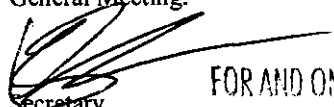
### Charitable donations

During the period the company made charitable donations of £3,780 (2004: £2,050).

### Auditors

Haines Watts resigned as auditors during the period and the directors appointed Ernst & Young LLP to fill the casual vacancy arising.

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

  
Secretary

FOR AND ON BEHALF OF QUAYSECO LIMITED

25 October 2006

## **Statement of directors' responsibilities in respect of the financial statements**

The Directors are responsible for preparing the financial statements in accordance with applicable United Kingdom laws and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 those 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 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 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.

# **Independent auditors' report**

**to the members of Abraxas Insurance Administration Services Limited**

We have audited the company's financial statements for the period ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, and the related notes 1 to 14. 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 directors and auditors**

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' 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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 Directors' 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 Abraxas Insurance Administration Services 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 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst + Young LLP*

Registered auditor  
Bristol

*31 October 2006*

## Profit and loss account

for the 17 month period to 31 December 2005

		<i>17 month period ended 31 December 2005</i>	<i>Year ended 31 July 2004</i>
	<i>Note</i>	<i>£</i>	<i>£</i>
<b>Turnover</b>	2	11,601,805	6,346,003
Cost of sales		7,183,658	3,580,058
<b>Gross profit</b>		<u>4,418,147</u>	<u>2,765,945</u>
Administrative expenses		2,384,843	1,354,983
<b>Operating profit</b>	3	<u>2,033,304</u>	<u>1,410,962</u>
Interest receivable		116,785	39,083
<b>Profit on ordinary activities before taxation</b>		<u>2,150,089</u>	<u>1,450,045</u>
Tax on profit on ordinary activities	6	526,493	4,806
<b>Profit on ordinary activities after taxation</b>		<u><u>1,623,596</u></u>	<u><u>1,445,239</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

## Statement of total recognised gains and losses

for the 17 month period to 31 December 2005

	<i>17 month period Ended 31 December 2005</i>	<i>Year ended 31 July 2004</i>
	<i>£</i>	<i>£</i>
Profit for the financial period	1,623,596	1,445,239
Prior year adjustment	-	(195,230)
<b>Total gains and losses recognised since last annual report</b>	<u><u>1,623,596</u></u>	<u><u>1,250,009</u></u>



## Balance sheet

as at 31 December 2005

	Note	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	8	162,079	94,878
<b>Current assets</b>			
Debtors	9	1,054,447	1,980,071
Cash at bank		2,101,782	1,705,993
		<u>3,156,229</u>	<u>3,686,064</u>
<b>Creditors: amounts falling due within one year</b>	10	2,761,139	3,661,732
<b>Net current assets</b>		<u>395,090</u>	<u>24,332</u>
<b>Total assets less current liabilities</b>		<u>557,169</u>	<u>119,210</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account	12	557,167	119,208
<b>Shareholders' funds</b>	12	<u>557,169</u>	<u>119,210</u>

The financial statements were approved by the directors on 25 October 2006 and are signed on their behalf by:

Director :



## Cash flow statement

for the 17 month period to 31 December 2005

	<i>17 month period ended 31 December 2005</i>	<i>Year ended 31 July 2004</i>
	<i>£</i>	<i>£</i>
<b>Net cash outflow from operating activities</b>	2,847,798	1,527,068
<b>Returns on investments and servicing of finance</b>		
Interest received	116,785	39,083
<b>Net cash inflow from returns on investments and servicing of finance</b>	116,785	39,083
<b>Taxation</b>		
Corporation tax	(2,980)	(41,274)
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(167,122)	(71,273)
Receipts from sale of tangible fixed assets	33,945	9,751
<b>Net cash outflow from capital expenditure</b>	(133,177)	(61,522)
<b>Equity dividends paid</b>	(2,432,637)	(1,229,323)
<b>Increase in cash</b>	395,789	234,032
<b>Reconciliation of operating profit to net cash outflow from operating activities</b>		
Operating profit	2,033,304	1,410,962
Depreciation	54,988	20,193
Loss on disposal of fixed assets	10,988	5,781
Decrease/(Increase) in debtors	925,624	(844,165)
(Decrease)/Increase in creditors	(177,106)	934,297
<b>Net cash outflow from operating activities</b>	2,847,798	1,527,068
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase in cash in the period	395,789	234,032
Movement in net funds in the period	395,789	234,032
Net funds brought forward	1,705,993	1,471,961
<b>Net funds carried forward</b>	2,101,782	1,705,993
<b>Analysis of changes in net funds</b>		
Net cash:		
	<i>At 1 August 2004</i>	<i>At Cash Flows 31 December 2005</i>
Cash in hand and at bank	1,705,993	2,101,782

## Notes to the financial statements

for the 17 month period ended 31 December 2005

### 1. Principal Accounting policies

The financial statements have been prepared in accordance with the historical cost convention and with applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is set out below.

#### ***Compliance with and departure from accounting standards***

The financial statements are prepared in accordance with accounting standards applicable in the United Kingdom.

#### ***Turnover***

Turnover represents premiums receivable less underwriting costs payable on insurance policies entered into during the period. Where the company is contracted to perform further services in respect of these policies subsequent to the period end, an appropriate proportion of its income is deferred and included in creditors.

#### ***Fixed assets***

All fixed assets are initially recorded at cost.

#### ***Depreciation***

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each evenly over its expected useful economic life, as follows:

Fixtures and fittings	25% straight line
Motor vehicles	25% reducing balance

#### ***Pension costs***

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### ***Taxation***

Corporation tax payable is provided on taxable profits at the current rate.

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 or to receive more, tax. The exception to this is that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

#### ***Foreign Currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

## Notes to the financial statements

for the 17 month period ended 31 December 2005

### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	<i>17 month period ended 31 December 2005</i>	<i>Year ended 31 July 2004</i>
	£	£
United Kingdom	11,601,805	6,346,003

### 3. Operating profit

This is stated after charging:

	<i>17 month period ended 31 December 2005</i>	<i>Year ended 31 July 2004</i>
	£	£
Depreciation of owned fixed assets	54,988	20,193
Loss on disposal of fixed assets	10,988	5,781
Auditors' remuneration - Haines Watts	-	5,875
- Ernst & Young LLP	46,150	-

### 4. Staff costs

	<i>17 month period ended 31 December 2005</i>	<i>Year ended 31 July 2004</i>
	£	£
Wages and salaries	1,509,151	841,281
Social security costs	162,910	92,718
Pension costs	39,609	22,715
Other staff costs	13,040	9,930
	<u>1,724,710</u>	<u>966,644</u>

## Notes to the financial statements

for the 17 month period ended 31 December 2005

### 4. Staff costs (continued)

The average number of staff employed by the company during the financial period was:

	<i>17 month period ended 31 December 2005 No.</i>	<i>Year ended 31 July 2004 No.</i>
Administration	41	33

### 5. Directors' emoluments

	<i>17 month period ended 31 December 2005 £</i>	<i>Year ended 31 July 2004 £</i>
Emoluments	214,004	95,833

### 6. Tax

#### (a) Tax on profit on ordinary activities

	<i>17 month period ended 31 December 2005 £</i>	<i>Year ended 31 July 2004 £</i>
Current tax:		
United Kingdom corporation tax on profit for the period	526,493	2,980
Adjustment in respect of prior periods	-	1,826
Tax on profit on ordinary activities	526,493	4,806

## Notes to the financial statements

for the 17 month period ended 31 December 2005

### 6. Tax (continued)

#### (b) Factors affecting the tax charge for the period

The tax charge for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below.

	<i>17 month period ended 31 December 2005 £</i>	<i>Year ended 31 July 2004 £</i>
Profit on ordinary activities before tax	2,150,089	1,450,045
Profit on ordinary activities multiplied by the UK rate of corporation tax – 30% (2004: 19%)	645,027	275,509
Effect of:		
Disallowed expenses and non taxable income	3,908	3,116
Depreciation in excess of capital allowances	1,679	-
Adjustments in respect of prior years	-	(37,094)
Group relief	(124,121)	(237,144)
Other	-	419
Current tax charge for the period	526,493	4,806

#### (c) Factors affecting the tax charge in the future

The company has a deferred tax asset of £23,567 which has not been recognised in the financial statements on the grounds of uncertainty of future taxable income streams.

### 7. Dividends

	<i>17 month period ended 31 December 2005 £</i>	<i>Year ended 31 July 2004 £</i>
Dividend paid on ordinary shares	1,185,637	200,000
Proposed dividend on ordinary shares	-	1,247,000
	1,185,637	1,447,000

## Notes to the financial statements

for the 17 month period ended 31 December 2005

### 8. Tangible fixed assets

	<i>Fixtures &amp; Fittings</i>	<i>Motor Vehicles</i>	<i>Total</i>
	£	£	£
Cost:			
At 31 July 2004	1,531	128,975	130,506
Additions	-	167,122	167,122
Disposals	-	(74,336)	(74,336)
At 31 December 2005	1,531	221,761	223,292
Accumulated depreciation:			
At 31 July 2004	1,394	34,234	35,628
Charge for the period	137	54,851	54,988
Disposals	-	(29,403)	(29,403)
At 31 December 2005	1,531	59,682	61,213
Net book value:			
At 31 December 2005	-	162,079	162,079
At 31 July 2004	137	94,741	94,878

### 9. Debtors

	<i>31 December 2005</i>	<i>31 July 2004</i>
	£	£
Trade debtors	864,199	1,760,670
Amounts owed by group undertakings	123,463	188,463
Other debtors	856	436
Prepayments and accrued income	65,929	30,502
	1,054,447	1,980,071

### 10. Creditors: amounts falling due within one year

	<i>31 December 2005</i>	<i>31 July 2004</i>
	£	£
Trade creditors	1,946,716	2,167,977
Corporation tax	526,493	2,980
Other creditors	1,890	1,338
Accruals and deferred income	286,040	242,437
Amounts owed to group undertakings	-	1,247,000
	2,761,139	3,661,732

## Notes to the financial statements

for the 17 month period ended 31 December 2005

### 11. Share capital

*Authorised*

	2005	2004
	£	£
Ordinary shares of £1 each	1,000	1,000

*Allotted, called up and fully paid:*

	No	2005	No	2004
		£		£
Ordinary shares of £1 each	2	2	2	2

### 12. Reconciliation of shareholders' funds and movements on reserves

	Share Capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance as at 31 July 2003	2	120,969	120,971
Loss for the year	-	(1,761)	(1,761)
Balance at 1 August 2004 – as restated	2	119,208	119,210
Profit for the period	-	1,623,596	1,623,596
Dividends paid	-	(1,185,637)	(1,185,637)
Balance at 31 December 2005	2	557,167	557,169

### 13. Related party transactions

The company is a wholly owned subsidiary of Abraxas Software Limited. The ultimate holding company at 31 December 2005 was Mapfre Asistencia S.A following the acquisition of Abraxas Software Limited in July 2005.

The Company has taken advantage of the exemption given by FRS 8 to subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties.

### 14. Parent undertaking and controlling party

The company's immediate parent undertaking is Abraxas Software Limited, a company registered in England and Wales.

Following the acquisition of Abraxas Software Limited in July 2005, the ultimate parent and controlling party is Mapfre Asistencia S.A, which is incorporated in Spain. A copy of the accounts can be obtained from Sor Angela de la Cruz, No 6, 28020, Madrid, Spain.