

AXCO

INSURANCE INFORMATION
SERVICES LTD

ABBREVIATED ACCOUNTS

FOR THE PERIOD 18th DECEMBER 1995
TO 31st DECEMBER 1996



AXCO INSURANCE INFORMATION SERVICES LTD

Directors

A Brode (Chairman)
M Corbally
NRHO Harley
MD Issaias

Secretary

MD Issaias

Solicitors and Registered Office

Withers
12 Gough Square
London EC4A 3DE

Auditors

Moore Stephens
St. Paul's House, Warwick Lane, London, EC4P 4BN

Report of the Directors

The directors present their report and the abbreviated financial statements for the period from 18 December 1995 to 31 December 1996. The company did not trade before 18 December 1995.

Review of Activities

The businesses of AXCO Insurance Intelligence Services Ltd, Insurance Research and Electronic Services Ltd and IRES Insurance Information Systems C.I. Ltd were purchased on 18 December 1995 for a consideration of £1,513,126 (see note 4 to the accounts).

The company's principal activity during the period was the production and supply of technical insurance related information.

Result for the Year

The net loss for the financial period amounted to £109,653 and has been carried forward to the next period.

The directors do not recommend the payment of a dividend.

AXCO INSURANCE INFORMATION SERVICES LTD

Report of the Directors (Continued)

Directors and their interests

Messrs Corbally, Harley and Issaias were appointed to the board on 14 December 1995. The interest, as defined by the Companies Act 1985, of the directors in the share capital of the company was as follows:

	<u>Class of Capital</u>	<u>On Appointment</u>	<u>At 31st December 1996</u>
A Brode	£1 ordinary	0	0
M Corbally	£1 ordinary	1	83,333
N Harley	£1 ordinary	0	83,333
M Issaias	£1 ordinary	1	83,333

In addition Messrs Corbally, Harley and Issaias jointly hold one ordinary share of £1.

Change of Name

On 18 December 1995 the company changed its name from Templeco 262 Ltd to AXCO Insurance Information Services Ltd.

Issue of Shares

Two ordinary shares of £1 each were issued on incorporation. On 18 December 1995 a further 249,998 ordinary shares of £1 each and 135,000 £1 'A' ordinary shares were issued for cash.

Auditors

The auditors, Moore Stephens, having been appointed by the Board during the period are willing to continue in office. A resolution for their reappointment and authorising the directors to fix their remuneration will be submitted to the Annual General Meeting.

By Order of the Board



MD Issaias

Secretary

AXCO INSURANCE INFORMATION SERVICES LTD

Auditors Report to AXCO Insurance Information Services Ltd pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages 4 to 7 together with the financial statements of AXCO Insurance Information Services Ltd prepared under section 226 of the Companies Act 1985 for the period ended 31 December 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

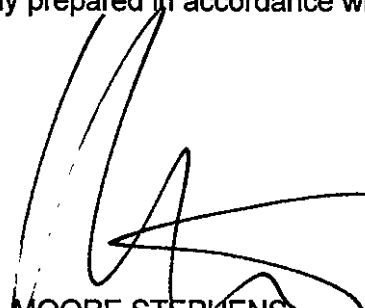
Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 247 and 247A of the Companies Act 1985 to the exemptions conferred by section 246 of that Act, in respect of the period ended 31 December 1996 and the abbreviated accounts on pages 4 to 7 have been properly prepared in accordance with Schedule 8A to that Act.

St. Paul's House,
London, EC4P 4BN
17th April 1997



MOORE STEPHENS
Registered Auditor
Chartered Accountants


AXCO INSURANCE INFORMATION SERVICES LTD

Balance Sheet at 31st December 1996

	<u>Note</u>	<u>1996</u> £K
Tangible Fixed Assets	3	41
Goodwill	4	1,474
		<u>1,515</u>
Current Assets		
Debtors		52
Cash at bank and in hand		33
		<u>85</u>
Creditors, amounts falling due within one year	5	(582)
Net Current Liabilities		<u>(497)</u>
Total Assets Less Current Liabilities		<u>1,018</u>
Creditors, amounts falling due after more than one year	6	(743)
		<u>275</u>
		<u><u>275</u></u>
Represented by:		
Equity Capital and Reserves		
Called up share capital	7	250
Profit and loss account		(110)
		<u>140</u>
Non-Equity Capital and Reserves		
Called up share capital	7	135
		<u>275</u>
		<u><u>275</u></u>

In preparing these abbreviated accounts we have relied upon sections 246 and 247 of the Companies Act 1985 on the grounds that the company is entitled to the benefit of those sections as a small company

Approved by the Board on 17th April 1997


NHRO Hanley
Director

AXCO INSURANCE INFORMATION SERVICES LTD

Notes on the Abbreviated Financial Statements for the period ended 31st December 1996

1. Principal Accounting Policies

- (a) **Basis of accounting**
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.
- (b) **Turnover**
Turnover represents the amount of subscription income, excluding value added tax, earned during the period.
- (c) **Fixed assets**
Fixed assets are depreciated so as to write off the cost over their estimated useful lives at the following rates:
Office furniture, fixtures and fittings 20% per annum straight line
Computer hardware and software 33% per annum straight line
- (d) **Goodwill**
Goodwill is recorded at cost less provision for permanent diminution in value.

2. Comparatives

The company did not trade before the start of this accounting period and its only assets consisted of £2 cash resulting from the issue of two £1 ordinary shares. As a result no comparative figures have been presented.

3. Tangible Fixed Assets

	<u>Office Furniture and Equipment</u> £K	<u>Computer Equipment</u> £K	<u>Total</u> £K
Cost			
Additions and at 31st December 1996	12	45	57
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
Charge for the period and at 31st December 1996	2	14	16
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31st December 1996	10	31	41
	<u> </u>	<u> </u>	<u> </u>

AXCO INSURANCE INFORMATION SERVICES LTD

Notes on the Abbreviated Financial Statements for the period ended 31st December 1996

4. Goodwill

	£K
Consideration	1,513
Less assets acquired	(39)
	<u>1,474</u>

Goodwill represents the purchase cost of the business inclusive of amounts due under deferred payment terms, over and above the value of the tangible assets acquired.

5. Creditors, amounts falling due within one year

	<u>1996</u> £K
Bank loans (secured)	75
Trade creditors	41
Other creditors	22
Accruals and deferred income	304
Deferred purchase cost	140
	<u>582</u>

6. Creditors, amounts falling due after more than one year

	<u>1996</u> £K
Bank loans	463
Deferred Purchase Cost	280
	<u>743</u>

AXCO INSURANCE INFORMATION SERVICES LTD

Notes on the Abbreviated Financial Statements for the period ended 31st December 1996

7. Share Capital

Authorised	
250,000 ordinary shares of £1 each	£250,000
135,000 convertible 'A' ordinary shares	£135,000
	<hr/>
	£385,000
	<hr/>
Allotted, called up and fully paid	
250,000 ordinary shares of £1 each (equity)	£250,000
135,000 convertible 'A' ordinary shares (non equity)	£135,000
	<hr/>
	£ 385,000
	<hr/>

The rights of the two classes of shares are as follows:

1. Convertible 'A' ordinary shares

The holders of these shares are entitled to a fixed cumulative preferential dividend of 8%. These shares also have rights to a preferential participating dividend up to 5.8% of net profits until 31 December 1988 and 11.5% thereafter. Additionally they participate in any dividend above this amount payable to the ordinary shareholders.

These shares may be converted into ordinary shares at any time at the option of the convertible shareholders.

The convertible shares also have preference in a winding up of the company, such that any arrears of dividend and the nominal value of the shares are paid before any monies may be paid to the ordinary shareholders.

Voting rights are the same as for ordinary shares.

2. Ordinary shares

The ordinary shareholders are entitled to dividend payments such that after the 'A' ordinary shares have been paid both the fixed and preferential dividend the ordinary shares may then be paid a dividend up to the amount of the fixed and preferential dividend. For any further dividend payment both classes rank pari passu.