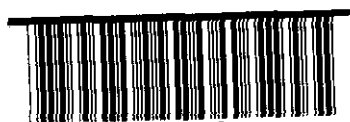


Company Number 3073807

**AXCO INSURANCE INFORMATION
SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2005**



A25
COMPANIES HOUSE

A0UNRJ78

195
28/09/2006

Axco Insurance Information Services Limited**Directors**

A. Brode (Chairman)
 M. Corbally
 N.R.H.O. Harley
 W.H. Bagwell

Secretary

Temple Secretarial Limited

Registered Office

15-18 Lime Street, London EC3M 7AP

Solicitors

Withers
 16 Old Bailey, London EC4M 7EG

Auditors

Moore Stephens LLP
 Chartered Accountants
 St. Paul's House, Warwick Lane, London, EC4M 7BP

Report of the Directors

The directors present their report and the audited financial statements for the year ended 31st December 2005.

Review of Activities

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

The company has expanded its relationship with many major clients with a resultant increase in the subscriptions that they have with Axco. Client driven work has also increased especially in the area of data maintenance. Trading conditions remained largely stable during the year and results were assisted by a stronger dollar. The improvements to our products in both content and delivery have helped the client retention rate reach a historic high. The number of users has increased considerably and the directors expect the trend of increased use of our reports to continue into future periods.

Results for the Year

The profit for the year amounted to £327,751, which after the payment of a dividend of £311,100 to shareholders resulted in an increase to shareholders' funds of £16,651.

Directors and their Interests

The interests, as defined by the Companies Act 1985, of the directors in the share capital of the company were as follows:

	<u>Class of Capital</u>	<u>At 1st January 2005</u>	<u>At 31st December 2005</u>
A. Brode	£1 ordinary	23,889	23,889
M. Corbally	£1 ordinary	83,333	83,333
N. Harley	£1 ordinary	83,333	83,333
W. Bagwell	£1 ordinary	9,556	9,556

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

Axco Insurance Information Services Limited**Report of the Directors (Continued)****Post Balance sheet Events**

On 31st March 2006 the authorised share capital of the company changed to 385,000 ordinary shares and 240,000 £1 preference shares, an increase of £240,000 beyond the registered capital of £385,000.

On 31st March 2006 240,000 preference shares of £1 each were allotted at £1 each. Directors A. Brode and W. Bagwell increased their interests in the company by 168,000 and 3,429 preference shares respectively.

On 31st March 2006 3i Group PLC sold its entire shareholding of 135,000 A ordinary shares for £1,402,597. The company purchased 25,550 of the shares for a total consideration of £265,455, which was funded to the amount of £25,550 by the proceeds of the issue of preference shares and to the amount of £239,905 from the distributable profits of the company. The other shareholders purchased 109,540 shares for a total consideration of £1,137,143. At this time directors A. Brode and W. Bagwell increased their interests in the ordinary shares of the company by 76,139 and 1,585 shares respectively.

On 31st March 2006 the 135,000 A ordinary shares of £1 each were converted into 135,000 ordinary shares of £1 each.

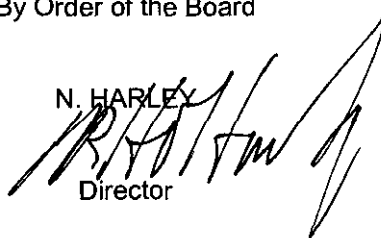
Auditors

On 3rd October 2005, Moore Stephens, the Company's auditor, transferred its entire business to Moore Stephens LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Moore Stephens as extending to Moore Stephens LLP with effect from 3rd October 2005. A resolution to re-appoint Moore Stephens LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By Order of the Board

N. HARLEY

Director



Axco Insurance Information Services Limited**Statement of Directors' Responsibilities**

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 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 Shareholders of Axco Insurance Information Services Limited

We have audited the financial statements of Axco Insurance Information Services Limited for the year ended 31 December 2005 which are set out on pages 5 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

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.

St. Paul's House
London, EC4M 7BP
23 August 2006


MOORE STEPHENS LLP

Registered Auditor
Chartered Accountants

Axco Insurance Information Services Limited

Profit and Loss Account
For the year ended 31st December 2005

	<u>Note</u>	<u>2005</u> £	<u>2004</u> £
Turnover - continuing operations	1(b)	2,956,830	2,831,632
Cost of sales		(1,147,792)	(1,125,405)
Gross Profit		1,809,038	1,706,227
Administrative expenses		(1,005,942)	(1,044,520)
Other operating expenses		(368,880)	(389,522)
		(1,374,822)	(1,434,042)
Operating Profit on Continuing Operations	2	434,216	272,185
Interest receivable		6,790	2,155
Interest payable	3	(3,397)	(5,977)
Profit on ordinary activities before taxation		437,609	268,363
Taxation on profit on ordinary activities	5	(109,858)	(61,834)
Profit on ordinary activities after taxation		327,751	206,529
Dividend on 'A' Ordinary shares		(10,800)	(81,000)
Dividend on Ordinary shares		(300,300)	(130,000)
Profit/(Loss) for the Year		£ 16,651	£ (4,471)
Statement of Retained Profits			
Retained Profit brought forward		259,502	263,973
Profit/(loss) for the year		16,651	(4,471)
Retained Profit carried forward		£ 276,153	£ 259,502
Reconciliation of Shareholders' Funds			
Opening shareholders funds		644,502	648,973
Profit/(loss) for the year		16,651	(4,471)
Closing shareholders' funds		£ 661,153	£ 644,502

There are no recognised gains or losses other than those stated above.

Axco Insurance Information Services Limited

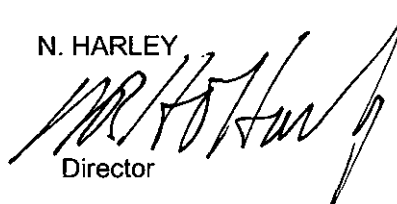
Balance Sheet at 31st December 2005

	<u>Note</u>	<u>2005</u> £	<u>2004</u> £
Intangible Fixed Assets			
Goodwill	6	1,473,153	1,473,153
Tangible Fixed Assets	7	34,694	35,992
		<u>1,507,847</u>	<u>1,509,145</u>
Current Assets			
Debtors	8	547,758	271,191
Cash at bank and in hand		293,842	229,610
		<u>841,600</u>	<u>500,801</u>
Creditors, amounts falling due within one year	9	(1,686,521)	(1,362,642)
Net Current Liabilities		<u>(844,921)</u>	<u>(861,841)</u>
Total Assets less Current Liabilities		622,926	647,304
Provisions for Liabilities and Charges	10	(1,773)	(2,802)
		<u>£ 661,153</u>	<u>£ 644,502</u>
Represented by:			
Equity Capital and Reserves			
Called up share capital	11	250,000	250,000
Profit and loss account		276,153	259,502
		<u>526,153</u>	<u>509,502</u>
Non-Equity Capital and Reserves			
Called up share capital	11	135,000	135,000
		<u>£ 661,153</u>	<u>£ 644,502</u>

These financial statements were approved by the Board on 23 August 2006

N. HARLEY

Director



Axco Insurance Information Services Limited

Cash Flow Statement
For the year ended 31st December 2005

	<u>2005</u> £	<u>2004</u> £
Cash flow from operating activities (Note 13)	501,710	259,583
Returns on investment and servicing of finance (Note 14)	3,393	(3,822)
Taxation paid	(55,030)	(62,080)
Dividends paid	(311,100)	(211,000)
Capital expenditure and financial investment (Note 14)	(19,895)	(22,288)
Cash inflow before financing	119,078	(39,607)
Financing (Note 14)	(12,600)	(50,400)
(Decrease)/increase in cash	£ 106,478	£ (90,007)

Reconciliation of Net Cash Flow to Movement in Net Funds (Debt) (Note 15)

(Decrease)/increase in cash for the year	106,478	(90,007)
Cash outflow from decrease in debt	12,600	50,400
Movement in net debt for the year	119,078	(39,607)
Net funds at start of year	73,128	112,735
Net funds (debt) at end of year	£ 192,206	£ 73,128

Axco Insurance Information Services Limited**Financial Statements for the year ended 31st December 2005****Notes****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 and other 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. The value of goodwill is reviewed annually by the directors by evaluating future returns from the business.

(e) Foreign currency

Transactions in foreign currencies are translated at the average rate ruling during the year. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

(f) Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Axco Insurance Information Services Limited

Financial Statements for the year ended 31st December 2005

Notes (Continued)

2. Operating Profit

	<u>2005</u>	<u>2004</u>
Operating profit is stated after charging:	£	£
Depreciation of tangible assets	21,193	27,428
Auditors' remuneration	10,000	8,500
Foreign exchange profit/(loss)	57,248	(66,954)
Operating lease - rent	83,784	83,790
	<u> </u>	<u> </u>

3. Interest Payable

	<u>2005</u>	<u>2004</u>
	£	£
Interest payable on bank loans and overdrafts	2,879	4,972
Interest payable to Inland Revenue	518	1,005
	<u> </u>	<u> </u>
	3,397	5,977
	<u> </u>	<u> </u>

4. Directors and Employees

	<u>2005</u>	<u>2004</u>
Staff costs during the year were as follows:	£	£
Wages and salaries	1,140,804	1,157,297
Social security costs	129,947	133,250
	<u> </u>	<u> </u>
£	1,270,751	£ 1,290,547
	<u> </u>	<u> </u>

The average weekly number of persons employed by the company during the year was:

	<u>2005</u>	<u>2004</u>
Marketing	9	8
Administration	7	8
Production	10	9
	<u> </u>	<u> </u>
	26	26
	<u> </u>	<u> </u>

Staff costs include the following emoluments in respect of the directors of the company:

Other emoluments	£	<u>442,000</u>	£	<u>445,300</u>
Highest paid director	£	<u>176,000</u>	£	<u>178,500</u>

Axco Insurance Information Services Limited

Financial Statements for the year ended 31st December 2005

Notes (Continued)

5. Taxation

	<u>2005</u>	<u>2004</u>
(a) Analysis of charge in period		
UK corporation tax	111,467	55,610
Adjustments in respect of prior period for UK corporation tax	(580)	7,320
	<hr/>	<hr/>
Current tax charge for year	110,887	62,930
Deferred taxation (note 11)	(1,029)	(1,096)
	<hr/>	<hr/>
	£ 109,858	£ 61,834
	<hr/>	<hr/>

(b) Factors affecting tax charge for period

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	<u>2005</u> £	<u>2004</u> £
Profit on ordinary activities before tax	437,608	268,363
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 19%)	131,282	50,989
Effects of:		
Marginal relief	(27,895)	-
Expenses not deductible for tax purposes	6,455	3,260
Depreciation for the period in excess of capital allowances	1,625	1,361
Adjustments to tax charge in respect of previous periods	(580)	7,320
	<hr/>	<hr/>
Current tax charged for the period (note 5(a))	£ 110,887	£ 62,930
	<hr/>	<hr/>

6. Goodwill

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.

As stated on page 8 goodwill is evaluated annually by the directors to assess whether it should be written down. The financial statements therefore depart from the specific requirement of the Companies Act 1985 to amortise goodwill over a finite period, but this is for the overriding purpose of giving a true and fair view.

Axco Insurance Information Services Limited

Financial Statements for the year ended 31st December 2005

Notes (Continued)

7. Tangible Fixed Assets

	Office Fixtures and Equipment £	Computer Equipment £	Total £
Cost			
At 1st January 2005	50,047	125,961	176,008
Additions	2,091	17,804	19,895
Disposals	(18,021)	(69,839)	(87,860)
At 31st December 2005	34,117	73,926	108,043
Depreciation			
At 1st January 2005	37,542	102,474	140,016
Charge for the year	4,267	16,926	21,193
Disposals	(18,021)	(69,839)	(87,860)
At 31st December 2005	23,788	49,561	73,349
Net book value			
At 31st December 2005	10,329	24,365	34,694
At 31st December 2004	12,505	23,487	35,992

8. Debtors

	2005 £	2004 £
Trade debtors	478,721	208,164
Prepayments	65,037	56,067
Other debtors	4,000	6,960
	£ 547,758	£ 271,191

9. Creditors, amounts falling due within one year

	2005 £	2004 £
Bank loans and overdrafts	101,636	156,482
Other creditors	32,304	52,802
Corporation tax	111,467	55,610
Other taxation and social security	78,387	92,152
Deferred income	1,028,248	931,546
Subscriptions received in advance	252,523	18,657
Sundry accruals	79,219	52,656
Dividend payable	2,737	2,737
	£ 1,686,521	£ 1,362,642

Axco Insurance Information Services Limited

Financial Statements for the year ended 31st December 2005

Notes (Continued)

10. Provisions for Liabilities and Charges

	<u>2005</u>	<u>2004</u>
Deferred taxation		
At 1st January	2,802	3,898
Profit and loss account movement	(1,029)	(1,096)
	<u>£ 1,773</u>	<u>£ 2,802</u>

Deferred taxation has been provided in full and is in respect of accelerated capital allowances.

11. Share Capital

Authorised	
250,000 ordinary shares of £1 each	250,000
135,000 convertible "A" ordinary shares	135,000
	<u>£ 385,000</u>
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
	<u>£ 385,000</u>

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 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 only entitled to any dividend payment, after the "A" ordinary shareholders have been paid the fixed dividend. For any further dividend payment both classes rank *pari passu*.

Axco Insurance Information Services Limited

Financial Statements for the year ended 31st December 2005

Notes (Continued)

12. Operating Lease Commitments

The company has annual commitments under non-cancellable rent agreements which expire:

	Land and buildings	
	<u>2005</u>	<u>2004</u>
Between two and five years	<u>83,784</u>	<u>83,784</u>

13. Reconciliation of Operating Profit to Net Cash Inflows from Operating Activities

	<u>2005</u>	<u>2004</u>
	£	£
Operating profit	434,216	272,185
Depreciation charges	21,193	27,428
Decrease/(increase) in debtors	(276,567)	54,260
(Decrease)/increase in creditors	322,868	(94,290)
	<u>£ 501,710</u>	<u>£ 259,583</u>

14. Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

	<u>2005</u>	<u>2004</u>
	£	£
Returns on investment and servicing of finance		
Interest paid	(3,397)	(5,977)
Interest received	6,790	2,155
	<u>£ 3,393</u>	<u>£ (3,822)</u>
	<u>2005</u>	<u>2004</u>
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(19,895)	(22,288)
	<u>£ (19,895)</u>	<u>£ (22,288)</u>
Financing		
Loan instalments paid	<u>£ (12,600)</u>	<u>£ (50,400)</u>

Axco Insurance Information Services Limited

Financial Statements for the year ended 31st December 2005

Notes (Continued)

15. Analysis of Net Funds (Debt)

	1st January <u>2005</u> £	<u>Cash Flow</u> £	31st December <u>2005</u> £
Cash at bank	229,610	64,232	293,842
Overdrafts	(143,882)	42,246	(101,636)
Debt due within one year	(12,600)	12,600	-
	<u>£ 73,128</u>	<u>£ 119,078</u>	<u>£ 192,206</u>