

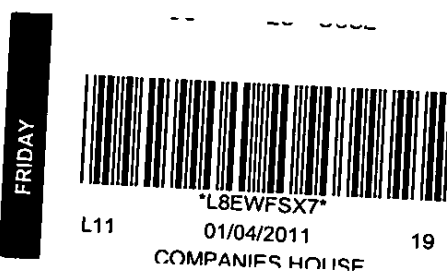
# IGI Administration Services Limited

Report and Financial Statements

Year Ended

31 December 2010

Company Number 3173997



# **IGI Administration Services Limited**

## **Report and financial statements for the year ended 31 December 2010**

---

### **Contents**

#### **Page:**

1	Report of the directors
3	Independent auditor's report
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

---

### **Directors**

J E Cadle  
M G Caviet

### **Secretary and registered office**

S L Wallis, 10<sup>th</sup> Floor, Market Square House, St James's Street, Nottingham, NG1 6FG

### **Company number**

3173997

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **IGI Administration Services Limited**

## **Report of the directors for the year ended 31 December 2010**

---

The directors present their report together with the audited financial statements for the year ended 31 December 2010

### **Results and dividends**

The profit and loss account is set out on page 5 and shows the loss for the year

The directors do not recommend the payment of a dividend

### **Principal activity**

The principal activity of the company is that of a provider of insurance handling services and of service and maintenance contracts

There have been no events after the balance sheet date which materially affect the position of the company

### **Business review exemption**

This report has been prepared in accordance with the provisions of Part 15, s417(1) of the Companies Act 2006 relating to small companies

### **Charitable and other donations**

The company did not make any political donations during the year under review The amount given for charitable purposes was £Nil (2009 - £Nil)

### **Directors**

The directors of the company during the year were

K W Wardell (resigned 15 September 2010)  
J E Cadle  
M G Caviet

# IGI Administration Services Limited

## Report of the directors for the year ended 31 December 2010 (*continued*)

### Directors' responsibilities

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 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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.

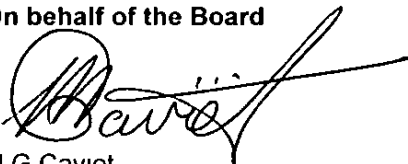
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

On behalf of the Board



M G Caviat

Director

31 March 2011

# **IGI Administration Services Limited**

## **Independent auditor's report**

---

### **TO THE MEMBERS OF IGI ADMINISTRATION SERVICES LIMITED**

We have audited the financial statements of IGI Administration Services Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# IGI Administration Services Limited

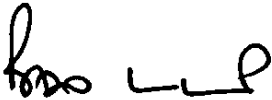
## Independent auditor's report (*continued*)

---

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



*Peter Chidgey, (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom*

31 March 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# IGI Administration Services Limited

## Profit and loss account for the year ended 31 December 2010

	Note	2010 £	2009 £
<b>Turnover</b>	2	<b>298,353</b>	697,655
Operating expenses		<b>(453,504)</b>	(900,200)
<b>Operating loss</b>	4	<b>(155,151)</b>	(202,545)
Interest receivable		<b>23,175</b>	50,446
<b>Loss on ordinary activities before taxation</b>		<b>(131,976)</b>	(152,099)
Taxation on loss from ordinary activities	5	-	(809)
<b>Loss for the financial year</b>		<b>(131,976)</b>	(152,908)
Retained loss brought forward		<b>(414,603)</b>	(261,695)
<b>Retained loss carried forward</b>	11	<b>(546,579)</b>	(414,603)

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

There is no difference between the loss on ordinary activities before taxation and the loss for the year and their historical cost equivalents

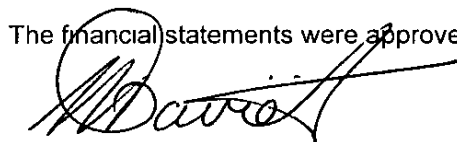
The notes on pages 7 to 12 form part of these financial statements

# IGI Administration Services Limited

## Balance sheet at 31 December 2010

<b>Company number 3173997</b>	<b>Note</b>	<b>2010 £</b>	<b>2009 £</b>
<b>Current assets</b>			
Debtors	6	728,500	1,871,156
Cash at bank and in hand		1,561	20,676
		<u>730,061</u>	<u>1,891,832</u>
<b>Creditors: amounts falling due within one year</b>	7	(1,276,540)	(1,612,043)
<b>Net current (liabilities)/assets</b>		<u>(546,479)</u>	<u>279,789</u>
<b>Creditors: amounts falling due after more than one year</b>	8	-	(694,292)
<b>Net liabilities</b>		<u>(546,479)</u>	<u>(414,503)</u>
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Profit and loss account	11	(546,579)	(414,603)
<b>Shareholders' funds - equity</b>	12	<u>(546,479)</u>	<u>(414,503)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 March 2011



M G Caviet  
Director

The notes on pages 7 to 12 form part of these financial statements

# IGI Administration Services Limited

## Notes forming part of the financial statements for the year ended 31 December 2010

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The company retains the financial backing of its parent company, IGI Group Limited. The directors are not aware of any reasons why the company would not be able to operate in the future

The following principal accounting policies have been applied

#### *Turnover*

#### **Service and maintenance contracts administration**

Income from service and maintenance contracts is recognised over the length of the period of the contract

#### **Claims provision**

Provision is made for the estimated cost of claims incurred before the end of the period but not incorporated into the books of the company at that time. The estimation is based upon an estimation of timing of reporting of claims and an average claims cost

#### *Deferred taxation*

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet 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. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those included in financial statements. Deferred taxation assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred taxation assets and liabilities are not discounted

#### *Leasing and hire purchase commitments*

Rentals paid under other leases (operating leases) are charged against income on a straight-line basis over the lease term

### 2 Turnover

Turnover is wholly attributable to the principal activities of the company and arises solely within the United Kingdom. The amounts attributable to the principal activities are as follows

	2010 £	2009 £
Service and maintenance contracts (including their administration)	298,353	697,655

# IGI Administration Services Limited

Notes forming part of the financial statements  
for the year ended 31 December 2010 (*continued*)

## 3 Directors' remuneration

There were no directors' emoluments paid during the year under review (2009 - £Nil). Their remuneration was paid by AmTrust Europe Limited (formerly IGI Insurance Company Limited), a fellow subsidiary, and is disclosed in that company's financial statements. The costs are recharged via a management charge.

## 4 Operating loss

	2010 £	2009 £
This has been arrived at after charging		
Other operating expenses	453,504	900,200

Auditors' remuneration and operating lease rentals have been paid by AmTrust Europe Limited (formerly IGI Insurance Company Limited), a fellow subsidiary and is disclosed in that company's financial statements.

## 5 Taxation on loss from ordinary activities

	2010 £	2009 £
<i>Current tax</i>		
Tax overprovided in previous years	-	809
The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:		
	2010 £	2009 £
Loss on ordinary activities before tax	(131,976)	(152,099)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(36,953)	(42,588)
Effects of:		
Accelerated capital allowances	(1,944)	(2,430)
Tax loss arising not relieviable against current period tax	28,830	45,018
Tax losses group relieved	10,067	-
Tax underprovided in previous years	-	809
Current tax charge for the year	-	809

# IGI Administration Services Limited

## Notes forming part of the financial statements for the year ended 31 December 2010 (continued)

### 5 Taxation on loss from ordinary activities (continued)

At 31 December 2010 the company has tax losses carried forward of £220,356 (2009 - £252,043) No deferred taxation has been provided in the financial statements as there is no expectation of the future reversal of the asset

### 6 Debtors

	2010 £	2009 £
Amounts falling due within one year		
Trade debtors	76,748	123,075
Amounts owed by group undertakings	212,561	953,486
Other debtors and prepayments	439,191	794,595
	<u>728,500</u>	<u>1,871,156</u>

### 7 Creditors: amounts falling due within one year

	2010 £	2009 £
Bank overdraft	14,097	-
Trade creditors	63,208	49,017
Amounts owed to group undertakings	946,116	1,020,217
Creditors including taxation and social security	-	442
Accruals and deferred income	253,119	542,367
	<u>1,276,540</u>	<u>1,612,043</u>

### 8 Creditors amounts falling due after more than one year

	2010 £	2009 £
Amounts owed to group undertakings	-	694,292
	<u>-</u>	<u>694,292</u>

Amounts owed to group undertakings represent a loan from AmTrust Europe Limited (formerly IGI Insurance Company Limited), a fellow subsidiary which is recoverable after 12 months

# IGI Administration Services Limited

Notes forming part of the financial statements  
for the year ended 31 December 2010 (*continued*)

## 9 Deferred tax

	2010 £	2009 £
Amounts not recognised are as follows		
Depreciation in advance of capital allowances	7,775	9,719
Tax losses	53,580	70,572
	<u>61,355</u>	<u>80,291</u>

## 10 Share capital

	2010 Number	2009 Number	Authorised 2010 £	2009 £
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid			
	2010 Number	2009 Number	2010 £	2009 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

## 11 Reserves

	Profit and loss account £
At 1 January 2010	(414,603)
Loss for the year	(131,976)
	<u>(546,579)</u>
At 31 December 2010	

# IGI Administration Services Limited

Notes forming part of the financial statements  
for the year ended 31 December 2010 (*continued*)

## 12 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Loss for the financial year	(131,976)	(152,908)
Increase in shareholders' funds	(131,976)	(152,908)
Opening shareholders deficit	(414,503)	(261,595)
Closing shareholders' deficit	(546,479)	(414,503)

## 13 Commitments under operating leases

As at 31 December 2010, the company had annual commitments under non-cancellable operating leases as set out below

	2010 Other £	2009 Other £
Operating leases which expire		
Within one year	-	13,657
In more than one but not more than two years	-	-
	-	13,657

Other operating lease payments for 2009 were paid by AmTrust Europe Limited (formerly IGI Insurance Company Limited), a fellow subsidiary and have been disclosed in that company's financial statements

## 14 Cash flow statement

The company has taken advantage of the exemption allowed by Financial Reporting Standard 1 (revised) "Cash Flow Statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate UK parent company

# **IGI Administration Services Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2010 (*continued*)**

---

## **15 Ultimate parent undertakings**

The immediate parent undertaking is IGI Group Limited, which is incorporated in England and Wales. IGI Group Limited is the parent company of the smallest group for which consolidated financial statements are produced which include IGI Administration Services Limited. Copies of the financial statements of IGI Group Limited may be obtained from IGI Administration Services Limited's registered office: 10th Floor, Market Square House, St James's Street, Nottingham, NG1 6FG.

The company's ultimate parent undertaking and controlling party is AmTrust Financial Services Inc, which is incorporated in the USA. AmTrust Financial Services Inc is the parent company of the largest group for which consolidated financial statements are produced which include IGI Administration Services Limited. Copies of its group financial statements are available from 6th Floor, 59 Maiden Lane, New York, USA.

## **16 Related party transactions**

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions" not to disclose any transactions with entities that are included in the consolidated financial statements of IGI Group Limited.

Within creditors falling due within one year, amounts owed to group undertakings, is an amount of £Nil (2009 - £104,846) owing to Amtrust International Underwriters Limited (AIU) as a consequence of a claims float attaching to warranty claims paid by IGI Administration Limited on behalf of AIU Limited.

AIU Limited is a fellow subsidiary of AmTrust Financial Services Inc.