

# Acumus Insurance Solutions Limited

Directors' Report and Financial Statements  
for the Year Ended 31 March 2008  
Registration number 3487744

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**Acumus Insurance Solutions Limited**  
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**Acumus Insurance Solutions Limited**  
**Officers and Advisers**

The directors at the date of this report were as follows

<b>Directors</b>	Mr J B Bibby Mr P K Smith Mr T C Ward Mr H M Posner Mr A Harnby	(appointed 26 October 2007) (appointed 1 October 2008)
<b>Secretary</b>	Eversecretary Limited	(appointed 20 September 2007)
<b>Principal Bankers</b>	Barclays Bank Plc 1 Churchill Place Canary Wharf London E14 5HP	
<b>Auditors</b>	PricewaterhouseCoopers LLP Chartered accountants and registered auditors Hays Galleria 1 Hays Lane London SE1 2RD	
<b>Tax Advisors</b>	Rawlinson & Hunter 6 New Street Square New Fetter Lane London EC4A 3AQ	
<b>Registered office</b>	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES	
<b>Company Registration number</b>	3487744	
<b>FSA Registration number</b>	309647	
<b>Parent Company</b>	The immediate parent company is UKU Holdings Limited, and the ultimate parent company is Primary Group Limited	

# **Acumus Insurance Solutions Limited**

## **Directors' Report for the Year Ended 31 March 2008**

The directors present their report and the audited financial statements for the year ended 31 March 2008

### **Principal activity**

The principal activity of the company is to sell and administer insurance products

### **Business review**

We aim to present a balanced and comprehensive review of the development and performance of the business during the period and its position at the period end. Our review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties we face.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and profit margins.

During the period the company's turnover decreased by 29% compared to the previous period. Operating profit has decreased from £260,955 to £107,827 this period. Furthermore profit before tax has decreased from £283,462 (2007) to £118,144 this period.

The company invested in new business streams during the year and continued to build relationships with its core wholesale customers.

### **Environmental**

Environmental impact is fully considered throughout the company's activities. In particular there is continuous improvement in waste control, energy efficiency and use of recycled and recyclable materials.

### **Employees**

The company's employees represent a wide variety of skills and abilities. The directors endeavour to provide training, safe and pleasant working conditions, good communication and teamwork, and a sense of pride and purpose that enables each individual to flourish.

Recruitment and promotion is undertaken without prejudice to age, sex or race and, in particular, the company recognises the contribution which can be made by disabled employees and gives them consideration for employment equal to that of the able-bodied, taking account of job requirements and the practical accommodations which can be made.

### **Principal risks and uncertainties**

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board and Underwriter approval and ongoing review by Directors delegated with the appropriate responsibilities. Compliance with regulation, legal and ethical standards is a high priority for the company.

The Senior Management Team holds regular strategy review meetings to inter alia review and report back to the Board on all risk related issues.

Principal risks arising from the competitive market place are -

- Severe economic downturn,
- Entrance of significant competitors in our core markets, and
- Withdrawal of support from our capacity providers

### **Future outlook**

The company remains profitable within its established business and will strive to integrate the new business streams into the existing business.

**Acumus Insurance Solutions Limited**  
**Directors' Report for the Year Ended 31 March 2008**

**Management of Financial Risk**

**Interest rate risk**

Interest rate risk arises primarily from borrowing from group companies. The company monitors interest rate on a monthly basis and reviews the materiality of the impact of any changes.

**Currency risk**

The company manages its foreign exchange risk against its functional currency. Foreign exchange arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The company is primarily exposed to currency risk in respect of liabilities under policies of insurance denominated in currencies other than Sterling. The most significant currency to which the company is exposed is Euro. The company seeks to mitigate the risk by monitoring the materiality of this source of income and regularly reviewing the impact of change in exchange rate.

**Credit risk**

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the company is exposed to credit risk are amounts due from insurers and insurance intermediaries.

The company manages the levels of credit risk it accepts by placing limits on its exposure to a single counterparty. Such risks are subject to regular review. Management assesses the creditworthiness of all insurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information. Each account is closely monitored by the credit control function.

**Liquidity risk**

Liquidity risk is the risk that cash may not be available to pay obligations when due. The primary liquidity risk of the company is the obligation to pay insurers.

All insurance related monies are held in non-statutory trust accounts for the sole benefit of the relevant insurers. Regular calculations are performed to ensure that the company maintains an appropriate level of capital adequacy.

**Results and dividend**

The results for the company are set out in the financial statements on page 6.

The directors do not recommend the payment of a dividend.

**Charitable and political donations**

No donations were made for charitable or political purposes during the period.

**Directors**

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

Mr J B Bibby

Mr P K Smith

Mr T C Ward

Mr H M Posner

Mr T J Smyth

Mr N J Marley

Mr P W H James

(appointed 26 October 2007)

(appointed 6 March 2008, resigned 21 July 2008)

(appointed 6 March 2008, resigned 21 July 2008)

(appointed 6 March 2008, resigned 21 July 2008)

**Acumus Insurance Solutions Limited**  
**Directors' Report for the Year Ended 31 March 2008**

**Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2008 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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.

**Statement of disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

Resolutions to dispense with the requirement to reappoint auditors annually and to hold an Annual General Meeting were passed on 5 May 2006.

Approved by the Board and signed on its behalf by



Mr P K Smith  
Director  
31 October 2008

## **Independent Auditors' Report to the Members of Acumus Insurance Solutions Limited**

We have audited the financial statements of Acumus Insurance Solutions Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors' Report 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **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 March 2008 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 Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered accountants and registered auditors

Date 6 November 2008

**Acumus Insurance Solutions Limited**  
**Profit and Loss Account for the Year Ended 31 March 2008**

	Note	Year ended 31 March 2008 £	1 January 2006 to 31 March 2007 £
Turnover	2	2,411,386	3,410,687
Administrative expenses		(2,303,559)	(3,149,732)
<b>Operating profit</b>	3	<u>107,827</u>	<u>260,955</u>
Other interest receivable and similar income		77,660	22,538
Interest payable and similar charges	6	(67,343)	(31)
<b>Profit on ordinary activities before taxation</b>		<u>118,144</u>	<u>283,462</u>
Tax on profit on ordinary activities	7	176,379	(168,135)
<b>Profit for the financial period</b>	17	<u><u>294,523</u></u>	<u><u>115,327</u></u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the period other than the results above, accordingly no statement of total recognised gains and losses is given

There are no material differences between the loss on ordinary activities before tax and the retained loss for the period stated above and their historical cost equivalents



**Acumus Insurance Solutions Limited**  
**Balance Sheet as at 31 March 2008**

		31 March 2008	31 March 2007
		£	£
	Note		
<b>Fixed assets</b>			
Intangible assets	8	779,691	142,602
Tangible assets	9	<u>367,257</u>	<u>448,463</u>
		<b>1,146,948</b>	<b>591,065</b>
 <b>Current assets</b>			
Debtors	10	2,248,576	1,608,151
Cash at bank and in hand	11	<u>1,644,286</u>	<u>1,435,252</u>
		<b>3,892,862</b>	<b>3,043,403</b>
<b>Creditors: Amounts falling due within one year</b>	12	<b>(3,817,839)</b>	<b>(3,387,020)</b>
<b>Net current assets/(liabilities)</b>		<u><b>75,023</b></u>	<u><b>(343,617)</b></u>
<b>Total assets less current liabilities</b>		<b>1,221,971</b>	<b>247,448</b>
 <b>Creditors: Amounts falling due after more than one year</b>	13	<b>(2,780,000)</b>	<b>(2,100,000)</b>
<b>Net liabilities</b>		<u><b>(1,558,029)</b></u>	<u><b>(1,852,552)</b></u>
 <b>Capital and reserves</b>			
Called up share capital	16	<b>1,000</b>	1,000
Profit and loss account	17	<u><b>(1,559,029)</b></u>	<u><b>(1,853,552)</b></u>
<b>Equity shareholders' deficit</b>	18	<u><b>(1,558,029)</b></u>	<u><b>(1,852,552)</b></u>

Approved by the Board on 31 October 2008 and signed on its behalf by



Mr T C Ward  
Director

**Acumus Insurance Solutions Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2008**

**1 Accounting policies**

**Basis of accounting**

The Financial Statements have been prepared in accordance with Schedule IV of the Companies Act 1985 and have been prepared under the historical cost convention, in accordance with applicable accounting standards in the United Kingdom

**Going concern**

As at 31 March 2008, the Company is in a net liabilities position of £1,558,029 (2007 £1,852,552). The parent company, Primary Group (UK) Limited has provided a letter of financial support indicating its present intention to support the Company by providing or procuring such finance as is necessary in order that the Company is able to meet the obligations as and when they fall due. Accordingly the directors believe that the preparation of the financial statements on the going concern basis is appropriate.

**Change in accounting policy**

The Directors have reviewed the accounting policies and satisfied themselves as to their appropriateness. There are no material changes from the prior year.

**Turnover**

Turnover represents revenue from commission and fees from insurance intermediary businesses. Revenues are recognised at the later of the inception date of the coverage or when the placement has been completed and confirmed.

Profit or volume based commission, which is received periodically, is recognised when the amount can be measured with reasonable certainty.

**Depreciation**

Tangible fixed assets, including assets held under finance leases and hire purchase contracts, are written off on a straight line basis over their estimated useful lives of 4 years.

**Foreign currencies**

Monetary assets and liabilities in foreign currencies are expressed in sterling at exchange rates ruling at the balance sheet date. Income and expenses in foreign currencies are translated into sterling at either rates of exchange ruling at the date on which the transactions occur or at the average rate of exchange during the period where this is a suitable approximation. Any exchange differences arising on transactions in foreign currencies during the period are dealt with through the profit and loss account.

**Operating leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

**Goodwill**

Any goodwill arising on acquisition of unincorporated businesses has been stated as an intangible asset and amortised through the profit and loss account over a period of not more than 20 years from the date of acquisition, as recommended by Financial Reporting Standard No 10 'Goodwill and Intangible Assets'.

**Taxation**

The charge for taxation is based on the profits for the period charged at the current rates of tax. Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed out by the balance sheet date except as otherwise required by Financial Reporting Standard No 19 'Deferred Tax'. Deferred tax assets are recognised to the extent that the directors consider these amounts recoverable.

**Acumus Insurance Solutions Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2008**

**1 Accounting policies (continued)**

**Insurance debtors and creditors**

In the normal course of insurance broking and underwriting, settlement is required to be made with certain markets, market settlement bureaux or insurance intermediaries on the basis of the net settlement due to or from that market, bureaux or intermediary in question, rather than the amounts due to or from the individual parties which it represents. Insurance debtors and creditors reflect the gross value of premiums and claims and together with related cash balances, have been included within the assets and liabilities of the company in accordance with current market practice.

Insurance debtors and creditors are reported in accordance with the requirements of Financial Reporting Standard No. 5 'Reporting the Substance of Transactions'. The standard precludes assets and liabilities being offset unless net settlement is legally enforceable and as a result the insurance broking debtors and creditors have been shown as the gross amounts due in respect of each contract, instead of the net amount due to or from clients and underwriters.

**Cash flow statement and related party**

The company is a subsidiary of Primary Group (UK) Limited, which prepares consolidated financial statements. The company has therefore elected to make use of the exemption provided in Financial Reporting Standard No. 1 (revised 1996) 'Cash Flow Statements' not to produce a cash flow statement.

The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Primary Group Limited group or investors of Primary Group Limited.

**Pensions**

The company operates non-contributory defined contribution group personal pension plans covering the majority of permanent employees where subsidiaries have elected to participate. The assets of the plans are held separately from those of the group in independently administered funds for individual members of staff. The plans are funded by contributions that are charged to the profit and loss account as incurred in accordance with the employment contract of each director or employee.

**2 Turnover**

Turnover for the period originated and was derived from activities within the United Kingdom and Europe.

An analysis of turnover by geographical market is given below.

	Year ended 31 March 2008	1 January 2006 to 31 March 2007
	£	£
Sales - UK	1,471,124	1,968,079
Sales - Europe	940,262	1,442,608
	<u>2,411,386</u>	<u>3,410,687</u>

**3 Operating profit**

Operating profit is stated after charging

	Year ended 31 March 2008	1 January 2006 to 31 March 2007
	£	£
Auditors' remuneration	21,459	29,795
Depreciation of owned tangible fixed assets	152,452	168,172
Amortisation of goodwill	10,781	44,947
Write-off of goodwill	-	418,758
Operating lease payments - land & buildings	<u>88,604</u>	<u>46,400</u>

**Acumus Insurance Solutions Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2008**

**4 Information regarding directors and employees**

The average number of persons employed by the company (including directors) during the period was as follows

	Year ended 31 March 2008	1 January 2006 to 31 March 2007
	No.	No
Management and administration	<u>22</u>	<u>15</u>

The aggregate payroll costs of these persons were as follows

	Year ended 31 March 2008	1 January 2006 to 31 March 2007
	£	£
Wages and salaries	704,706	907,758
Social security	80,882	97,871
Other pension costs	<u>70,105</u>	<u>69,446</u>
	<u><u>855,693</u></u>	<u><u>1,075,075</u></u>

**5 Directors' emoluments**

The directors' emoluments for the period are as follows

	Year ended 31 March 2008	1 January 2006 to 31 March 2007
	£	£
Directors' emoluments (including benefits in kind)	149,663	182,277
Directors' pension contributions	<u>10,541</u>	<u>12,113</u>
	<u><u>160,204</u></u>	<u><u>194,390</u></u>

During the period the number of directors who were accruing benefits under company pension schemes was as follows

	Year ended 31 March 2008	1 January 2006 to 31 March 2007
	No.	No
Money purchase	<u>1</u>	<u>1</u>

**6 Interest payable and similar charges**

	Year ended 31 March 2008	1 January 2006 to 31 March 2007
	£	£
Loan interest payable	<u><u>67,343</u></u>	<u><u>31</u></u>

**Acumus Insurance Solutions Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2008**

**7 Taxation**

**Analysis of current year tax (credit) / charge**

	Year ended 31 March 2008 £	1 January 2006 to 31 March 2007 £
<b>Current tax</b>		
(Over)/under provision in previous year - group relief	(158,856)	2,735
Group relief (receivable) / payable	<u>(17,523)</u>	<u>165,400</u>
Current tax (credit) / charge for the year	<u>(176,379)</u>	<u>168,135</u>

**Factors affecting current tax charge/ (credit) for the year**

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30.00% (Period ended 31 March 2007 - 30.00%)

The differences are reconciled below

	Year ended 31 March 2008 £	1 January 2006 to 31 March 2007 £
Profit on ordinary activities before taxation	<u>118,144</u>	<u>283,462</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	35,444	85,039
Expenses not deductible for tax purposes	(657)	166,291
Capital allowances in excess of depreciation	1,548	(13,634)
Brought forward tax losses and other timing differences	(53,858)	(72,296)
Adjustment to tax in respect of prior periods - group relief	<u>(158,856)</u>	<u>2,735</u>
Current tax (credit) / charge for the year	<u>(176,379)</u>	<u>168,135</u>

**Acumus Insurance Solutions Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2008**

**8 Intangible fixed assets**

	<b>Goodwill £</b>
<b>Cost</b>	
As at 1 April 2007	160,679
Additions	647,870
As at 31 March 2008	<u>808,549</u>
<b>Amortisation</b>	
As at 1 April 2007	18,077
Charge for the period	10,781
As at 31 March 2008	<u>28,858</u>
<b>Net book value</b>	
As at 31 March 2008	<u>779,691</u>
As at 31 March 2007	<u>142,602</u>

Goodwill arose on the purchase of the right title and interest in intellectual property and renewal rights that Openbid Insurance Services Limited and Fortress Direct Limited had on 26 March 2008. The fair value of consideration for these acquisition totalled £658,000 including a contingent consideration element of £309,000. The fair value of net assets acquired totalled £10,000.

All goodwill is being amortised over 20 years, in the opinion of the directors, this represents a prudent estimate of the period over which the company will derive economic benefits from the businesses acquired.

**9 Tangible fixed assets**

	<b>Fixtures, fittings &amp; equipment £</b>
<b>Cost</b>	
As at 1 April 2007	666,876
Additions	71,246
As at 31 March 2008	<u>738,122</u>
<b>Depreciation</b>	
As at 1 April 2007	218,413
Charge for the period	152,452
As at 31 March 2008	<u>370,865</u>
<b>Net book value</b>	
As at 31 March 2008	<u>367,257</u>
As at 31 March 2007	<u>448,463</u>

**Acumus Insurance Solutions Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2008**

**10 Debtors**

	31 March 2008	31 March 2007
	£	£
Insurance debtors	1,320,466	1,247,538
Amounts owed by group undertakings	802,863	199,573
Other debtors	23,501	17,491
Prepayments and accrued income	101,746	143,549
	<u>2,248,576</u>	<u>1,608,151</u>

All amounts are due within twelve months of the balance sheet date

**11 Cash at bank and in hand**

Included in cash at bank and in hand is £1,630,699 (2007 £1,423,768) held in designated client and underwriter accounts. These balances are used to pay premiums to underwriters and commissions and other income to group undertakings.

**12 Creditors: Amounts falling due within one year**

	31 March 2008	31 March 2007
	£	£
Insurance creditors	1,543,019	1,601,916
Trade creditors	217	591,957
Amounts owed to group undertakings	1,529,817	520,561
Deferred consideration	309,370	-
Social security and other taxes	37,883	37,883
Accruals and deferred income	397,533	634,703
	<u>3,817,839</u>	<u>3,387,020</u>

Included within insurance creditors are amounts of £753,025 (2007 £1,555,331) due to group undertakings.

**13 Creditors: Amounts falling due after more than one year**

	31 March 2008	31 March 2007
	£	£
Preference shares	2,700,000	2,050,000
Amounts owed to group undertakings	80,000	50,000
	<u>2,780,000</u>	<u>2,100,000</u>

Amounts owed to group undertakings is in respect of a loan from the parent company UKU Holdings Limited and carries an interest rate based on the sum of 2% above the Bank of England base rate, payable on 31 March, 30 June, 30 September and 31 December in each year.

The loan shall be repayable upon the expiry of 2 years notice given by the lender.

**Acumus Insurance Solutions Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2008**

**13 Creditors Amounts falling due after more than one year (continued)**

**Preference share capital**

	31 March 2008 £	31 March 2007 £
<b>Issued.</b>		
650,000 6 25% Preference shares of £1 each	650,000	-
2,050,000 Preference shares of £1 each	<u>2,050,000</u>	<u>2,050,000</u>

During the year 650,000 6 25% new preference shares of £1 each were issued

Holders of the 2,050,000 preference shares of £1 each are entitled to a fixed cumulative preferential dividend of £1,000 due to be paid in full in respect of each financial year end

Holders of the 650,000 6 25% preference shares of £1 each are entitled to a fixed cumulative preferential dividend of £40,625 due to be paid in full in respect of each financial year end

The preference shares are redeemable either in full or in part, at par, by the shareholder or the company giving 732 days notice of the amount of the shares to be redeemed, provided such notice is not delivered on or before 14 March 2010 Unless previously redeemed or repurchased all of the preference shares shall be redeemed at par on 30 September 2017

**14 Maturity of borrowings**

**Amounts repayable**

	Preference shares £	Other Loans £	Total £
<b>As at 31 March 2008</b>			
Between two and five years	2,700,000	80,000	2,780,000
	<u>2,700,000</u>	<u>80,000</u>	<u>2,780,000</u>
<b>As at 31 March 2007</b>			
Between two and five years	-	50,000	50,000
After more than five years not by instalments	2,050,000	-	2,050,000
	<u>2,050,000</u>	<u>50,000</u>	<u>2,100,000</u>



**Acumus Insurance Solutions Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2008**

**16 Share capital**

	31 March 2008 £	31 March 2007 £
<b>Authorised</b>		
<b>Equity</b>		
30,000 Ordinary 'A' shares of 50 pence each	15,000	15,000
30,000 Ordinary 'B' shares of 50 pence each	<u>15,000</u>	<u>15,000</u>
	<u>30,000</u>	<u>30,000</u>

**Allotted, called up and fully paid**

<b>Equity</b>		
1,000 Ordinary 'A' shares of 50 pence each	500	500
1,000 Ordinary 'B' shares of 50 pence each	<u>500</u>	<u>500</u>
	<u>1,000</u>	<u>1,000</u>

'A' ordinary shareholders have voting rights but no right to dividends and shall rank equally with the 'B' ordinary shareholders on a distribution on liquidation

'B' ordinary shareholders do not have voting rights, but will have the sole rights to dividends and shall rank equally with 'A' ordinary shareholders on a distribution on liquidation

**17 Statement of movement on reserves**

	<b>Profit and loss account £</b>
Balance at 1 April 2007	(1,853,552)
Transfer from profit and loss account for the period	<u>294,523</u>
Balance at 31 March 2008	<u>(1,559,029)</u>

**18 Reconciliation of movements in shareholders' deficit**

	<b>Share Capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
As at 1 April 2007	1,000	(1,853,552)	(1,852,552)
Profit for the year ending 31 March 2008	-	294,523	294,523
At 31 March 2008	<u>1,000</u>	<u>(1,559,029)</u>	<u>(1,558,029)</u>

**Acumus Insurance Solutions Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2008**

**19 Operating lease commitments**

As at 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and Buildings</b>	
	<b>31 March 2008</b>	<b>31 March 2007</b>
	<b>£</b>	<b>£</b>
Within one year	<b>67,800</b>	<b>46,400</b>
	<u><b>67,800</b></u>	<u><b>46,400</b></u>

**20 Pension schemes**

**Defined contribution pension scheme**

The company operates non-contributory defined contribution group personal pension plans. The assets of the plans are held separately from those of the company in independently administered funds. The pension cost charge for the period represents contributions payable by the company to the plans and the amount contributed during the period was £70,105 (2007: £69,446).

There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

**21 Related parties**

**Related party transactions**

As permitted under Financial Reporting Standard No. 8 'Related Party Disclosures', transactions between group companies which are owned and controlled by more than 90% of the voting rights have not been disclosed.

**22 Ultimate holding company**

The immediate parent company as at 31 March 2008 is UKU Holdings Limited, a company incorporated in the United Kingdom.

Primary Group Limited, incorporated in Bermuda, is regarded by the directors of the company as the company's ultimate parent company.

The largest group in which the results of the company are consolidated is that of which Primary Group Limited is the parent company. In the opinion of the directors, at the date on which the accounts were approved, the ultimate controllers are the trustees of NUSA Trust and JIWO trust, both trusts established in the Cayman Islands for the benefit of P W H James and his family.

The smallest such group is that of which UKU Holdings Limited is the parent company, which is registered in England and Wales.