
EXPRESS INSURANCE SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2006



Clement Keys

CHARTERED ACCOUNTANTS

EXPRESS INSURANCE SERVICES LIMITED

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EXPRESS INSURANCE SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

L J Hughes
P A Moroney

SECRETARY

B K Johnson

COMPANY NUMBER

4975199

REGISTERED OFFICE

Express Insurance House
22 Old Walsall Road,
Hamstead
Birmingham
B42 1DT

AUDITORS

Clement Keys
Chartered Accountants & Registered Auditors
39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

EXPRESS INSURANCE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2006

The directors present their report and the financial statements for the year ended 31 August 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual 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). The financial statements are required by law to 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 judgments and 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,
- 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 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.

So far as each of the directors is aware at the time the report is approved

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

PRINCIPAL ACTIVITIES

The principal activity of the company is that of an insurance broker and agent.

BUSINESS REVIEW

The directors are pleased with the progress the company has made in the financial year reported upon. The indications for the current year are that this level of activity will be sustained.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,397,796 (2005 - £186,598).

The directors do not recommend the payment of a dividend.

EXPRESS INSURANCE SERVICES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2006**

DIRECTORS

The directors who served during the year and their interests in the company's issued share capital were

	Ordinary shares of £1 each	
	31/8/06	1/9/05
L J Hughes	100,000	50,000
P A Moroney	-	-

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made charitable donations of £6,450 during the course of the year to registered charities, both national and local

AUDITORS

The auditors, Clement Keys, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on 7 December 2006 and signed on its behalf



B K Johnson
Secretary

EXPRESS INSURANCE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EXPRESS INSURANCE SERVICES LIMITED

We have audited the financial statements of Express Insurance Services Limited for the year ended 31 August 2006 set out on pages 5 to 14. These financial statements have been prepared in accordance with 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' responsibilities for preparing 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).

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 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.

EXPRESS INSURANCE SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EXPRESS INSURANCE SERVICES
LIMITED**

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 August 2006 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

Clement Keys
CLEMENT KEYS

Chartered Accountants
Registered Auditors

39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

7 December 2006

EXPRESS INSURANCE SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2006**

	Note	2006 £	2005 £
TURNOVER	1,2	9,313,631	6,001,899
Administrative expenses		(7,461,671)	(5,779,697)
OPERATING PROFIT	3	1,851,960	222,202
EXCEPTIONAL ITEMS			
Net profit/(loss) on sale of tangible fixed assets	5	-	(3,868)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		1,851,960	218,334
Interest receivable		147,801	16,087
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,999,761	234,421
TAX ON PROFIT ON ORDINARY ACTIVITIES	6	(601,965)	(47,823)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	12	1,397,796	186,598

All amounts relate to continuing operations

There were no recognised gains and losses for 2006 or 2005 other than those included in the profit and loss account

The notes on pages 8 to 14 form part of these financial statements

EXPRESS INSURANCE SERVICES LIMITED

**BALANCE SHEET
AS AT 31 AUGUST 2006**

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible fixed assets	7	321,231	384,036
CURRENT ASSETS			
Debtors	8	2,478,066	2,551,343
Cash at bank		4,510,438	2,691,960
		<u>6,988,504</u>	<u>5,243,303</u>
CREDITORS: amounts falling due within one year	9	<u>(5,675,341)</u>	<u>(5,390,741)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>1,313,163</u>	<u>(147,438)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,634,394</u>	<u>236,598</u>
CAPITAL AND RESERVES			
Called up share capital	11	100,000	50,000
Profit and loss account	12	1,534,394	186,598
SHAREHOLDERS' FUNDS - All equity	13	<u>1,634,394</u>	<u>236,598</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 December 2006



L. J. Hughes
Director



Director

The notes on pages 8 to 14 form part of these financial statements

EXPRESS INSURANCE SERVICES LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2006**

	Note	2006 £	2005 £
Net cash flow from operating activities	14	1,768,062	3,115,088
Returns on investments and servicing of finance	15	147,801	16,087
Taxation		(53,113)	-
Capital expenditure and financial investment	15	(44,272)	(489,115)
CASH INFLOW BEFORE FINANCING		1,818,478	2,642,060
Financing	15	-	49,900
INCREASE IN CASH IN THE YEAR		1,818,478	2,691,960

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 AUGUST 2006**

	2006 £	2005 £
Increase in cash in the year	1,818,478	2,691,960
MOVEMENT IN NET DEBT IN THE YEAR	1,818,478	2,691,960
Net funds at 1 September 2005	2,691,960	-
NET FUNDS AT 31 AUGUST 2006	4,510,438	2,691,960

The notes on pages 8 to 14 form part of these financial statements

EXPRESS INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover comprises commissions and fees recognised by the company in respect of insurance services supplied

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	-	25%	reducing balance
Office and computer equipment	-	25%	reducing balance

1.4 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.6 Pensions

The company contributes to personal pension plans, these are expensed to the profit and loss account in the period in which the contributions are payable

2. TURNOVER

All turnover arose within the United Kingdom

EXPRESS INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006**

3. OPERATING PROFIT

The operating profit is stated after charging

	2006 £	2005 £
Depreciation of tangible fixed assets		
- owned by the company	107,077	101,211
Auditors' remuneration	12,600	12,000
Operating lease rentals		
- plant and machinery	1,874	493
- other operating leases	116,691	110,081
	<u>116,691</u>	<u>110,081</u>

During the year, no director received any emoluments (2005 - £NIL)

4. STAFF COSTS

Staff costs were as follows

	2006 £	2005 £
Wages and salaries	3,320,193	2,783,497
Social security costs	314,269	259,337
Other pension costs	12,000	10,733
	<u>3,646,462</u>	<u>3,053,567</u>

The average monthly number of employees, including the directors, during the year was as follows

	2006 No.	2005 No
Office and Administration	60	59
Sales and Marketing	122	120
	<u>182</u>	<u>179</u>

5. EXCEPTIONAL ITEMS

	2006 £	2005 £
Loss on disposal of tangible fixed assets	-	3,868
	<u>-</u>	<u>3,868</u>

EXPRESS INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006**

6. TAXATION

	2006 £	2005 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profits of the year	604,196	53,113
Deferred tax		
Origination and reversal of timing differences	(2,231)	(5,290)
Tax on profit on ordinary activities	<u>601,965</u>	<u>47,823</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below

	2006 £	2005 £
Profit on ordinary activities before tax	<u>1,999,761</u>	<u>234,421</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 - 30%)	599,928	70,326
Effects of:		
Expenses not deductible for tax purposes	2,037	3,784
Depreciation for the period in excess of capital allowances	2,231	5,290
Marginal rate relief	-	(26,287)
Current tax charge for the year (see note above)	<u>604,196</u>	<u>53,113</u>

Factors that may affect future tax charges

There are no factors that may affect future tax charges

EXPRESS INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006**

7. TANGIBLE FIXED ASSETS

	Motor vehicles £	Office equipment £	Total £
Cost			
At 1 September 2005	131,703	353,544	485,247
Additions	-	44,272	44,272
At 31 August 2006	<u>131,703</u>	<u>397,816</u>	<u>529,519</u>
Depreciation			
At 1 September 2005	27,438	73,773	101,211
Charge for the year	26,067	81,010	107,077
At 31 August 2006	<u>53,505</u>	<u>154,783</u>	<u>208,288</u>
Net book value			
At 31 August 2006	<u>78,198</u>	<u>243,033</u>	<u>321,231</u>
At 31 August 2005	<u>104,265</u>	<u>279,771</u>	<u>384,036</u>

8. DEBTORS

	2006 £	2005 £
Trade debtors	1,976,358	650,882
Other debtors	104,015	1,683,979
Prepayments and accrued income	390,172	211,192
Deferred tax asset (see note 10)	7,521	5,290
	<u>2,478,066</u>	<u>2,551,343</u>

**9. CREDITORS:
Amounts falling due within one year**

	2006 £	2005 £
Trade creditors	4,255,991	4,432,611
Corporation tax	604,196	53,113
Social security and other taxes	89,373	93,405
Other creditors	590,274	610,812
Accruals and deferred income	135,507	200,800
	<u>5,675,341</u>	<u>5,390,741</u>

EXPRESS INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006**

10. DEFERRED TAX ASSET

	2006 £	2005 £
At 1 September 2005	5,290	-
Arising during the year	2,231	5,290
	<u>7,521</u>	<u>5,290</u>
At 31 August 2006	<u>7,521</u>	<u>5,290</u>

The deferred tax asset is made up as follows

	2006 £	2005 £
Accelerated capital allowances	<u>(7,521)</u>	<u>(5,290)</u>

11. SHARE CAPITAL

	2006 £	2005 £
Authorised, allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>50,000</u>

On 30 November 2005 the company passed a resolution increasing the authorised share capital from £50,000 to £100,000 by the creation of 50,000 new Ordinary £1 shares. The new shares rank par passu in all respects with existing shares. The company then resolved that 50,000 ordinary £1 shares be issued as a bonus issue on a basis of one new share for each existing share held.

For the purposes of reporting in accordance with Financial Reporting Standard No. 8, the company was under the control of L J Hughes, a director. L J Hughes is personally interested in 100% (2005: 100%) of the company's issued share capital.

12. RESERVES

	Profit and loss account £
At 1 September 2005	186,598
Profit retained for the year	1,397,796
Bonus issue	(50,000)
At 31 August 2006	<u>1,534,394</u>

EXPRESS INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006**

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Opening shareholders' funds	236,598	100
Profit for the year	1,397,796	186,598
Shares issued during the year (excluding bonus issue)	-	49,900
Closing shareholders' funds	<u>1,634,394</u>	<u>236,598</u>

14. NET CASH FLOW FROM OPERATING ACTIVITIES

	2006 £	2005 £
Operating profit	1,851,960	222,202
Depreciation of tangible fixed assets	107,077	101,211
Decrease/(increase) in debtors	75,508	(2,545,953)
(Decrease)/increase in creditors	(266,483)	5,337,628
Net cash inflow from operations	<u>1,768,062</u>	<u>3,115,088</u>

15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2006 £	2005 £
Returns on investments and servicing of finance		
Interest received	<u>147,801</u>	<u>16,087</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(44,272)	(499,115)
Sale of tangible fixed assets	-	10,000
Net cash outflow from capital expenditure	<u>(44,272)</u>	<u>(489,115)</u>
Financing		
Issue of ordinary shares	<u>-</u>	<u>49,900</u>

EXPRESS INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006**

16. ANALYSIS OF CHANGES IN NET FUNDS / DEBT

	1 September 2005 £	Cash flow £	Other non-cash changes £	31 August 2006 £
Cash at bank and in hand	2,691,960	1,818,478	-	4,510,438
Net funds	2,691,960	1,818,478	-	4,510,438

17. CAPITAL COMMITMENTS

At 31 August 2006 the company had capital commitments as follows

	2006 £	2005 £
Contracted for but not provided in these financial statements	-	-

18. OPERATING LEASE COMMITMENTS

At 31 August 2006 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2006 £	2005 £	Other 2006 £	2005 £
Expiry date:				
Between 2 and 5 years	72,500	58,000	-	-

19. TRANSACTIONS WITH DIRECTORS

Cofield Finance, a partnership in which L J Hughes is a partner, has provided premium instalment finance to customers of Express Insurance Services Limited. The value of premiums funded by the partnership during the period is £8,328,676 (2005 £15,875,725). Amounts due to the company at the balance sheet date are included in other debtors and total £104,015 (2005 £1,682,845).

L J Hughes, director, has advanced monies to the company. These funds are included in other creditors, they are unsecured and interest free. At the balance sheet date the advances total £589,773 (2005 £610,395).

During the year to 31 August 2006, Bridgeminster Limited invoiced £95,900 (2005 £81,253) for consultancy services to Express Insurance Services Limited. P A Moroney is a director of Bridgeminster Limited.