

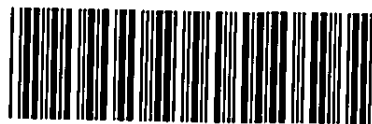
Express Insurance Services Limited

Report and Financial Statements

For the period ended 31 December 2007

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COMPANIES HOUSE

Express Insurance Services Limited

Registered No 4975199

Directors

L J Hughes	(resigned 6 June 2007)
P A Moroney	(resigned 6 June 2007)
C H Woodburn	(appointed 6 June 2007)
M Healy	(appointed 6 June 2007)
I Fraser	(appointed 6 June 2007)
D M Oliver	(appointed 6 June 2007 & resigned 6 November 2008)

Secretary

B K Johnson	(resigned 6 June 2007)
B Lawson	(appointed 6 June 2007)

Auditors

Ernst & Young LLP
George House
50 George Square
Glasgow
G2 1RR

Solicitors

Anderson Strathern WS
1 Rutland Court
Edinburgh
EH3 8EY

Registered Office

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

Directors' report

The directors present their report and the financial statements for the 16 month period ended 31 December 2007

Principal activities, business review and future developments

The principal activity of the company is that of an insurance broker and agent. The period under review is notable for both its length, (16 months) and the fact that the company's ownership changed in June 2007.

Trading improved throughout the period, but accelerated in the second half of 2007, driven by margin enhancements as a result of being owned by a larger insurance intermediary.

Particularly pleasing, despite the unfavourable summer weather, was the improvement in the Motorbike Insurance book. Growth was also achieved in the company's specialist private car and van areas.

In a time of change the commitment of the staff has been outstanding. These changes have not only brought benefits to the shareholder but also to the employees - key indicators such as staff turnover and absenteeism are all improving and should benefit future trading.

During the period the company was acquired by Kwik Fit Insurance Services Limited and the accounting policies were aligned with those of the new group. The principal resulting change is to recognise a sale at the inception of the policy with an allowance for expected cancellations. Full details of the adjustment can be found in note 1.

Results and dividends

The profit for the period, after taxation, amounted to £3,579,958 (year ended 31 August 2006 - £1,515,396).

The company paid a dividend of £2,874,729.

The company's key performance indicators during the year were as follows:

	<i>Period ended 31 December 2007</i>	<i>Year ended 31 August 2006 (restated)</i>
Turnover	£14.4 m	£9.5 m
Profit before Tax	£4.3 m	£2.2 m

The profit before tax for the period ended 31 December 2007 included an exceptional gain of £450,635 from the sale of the Great Barr branch.

Principal risks and uncertainties

The Company's operations expose it to a variety of financial risks that include the effects of competitive risks, liquidity risk and legislative and regulatory risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company.

- **Competitive risk**

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing sales to its key competitors. The company maintains a competitive panel of insurers and constantly reviews margins to ensure competitive pricing. The company further manages this risk by providing added value services to its customers, having fast response times not only in supplying products but also in handling

Directors' report

all customer queries, and by maintaining strong relationships with customers. The company focuses strongly on risk management and has a culture within which risk management is firmly embedded.

- **Liquidity risk**

The Company actively maintains a mixture of cash and inter-company finance that is designed to ensure that the Company has sufficient available funds for operations.

- **Legislative and regulatory risk**

The company actively monitors compliance with the Financial Services Authority requirements and is proactive in establishing robust policies and procedures to ensure effective compliance.

Directors

The directors who served during the period are shown on page 1.

Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

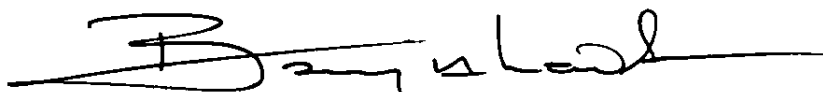
On 6 June 2007 Clement Keys resigned as auditors of the company and Ernst and Young LLP were appointed in their place.

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Political and charitable contributions

The company made charitable donations of £3,782 (at August 2006 - £6,450) during the course of the period to registered charities, both national and local.

By order of the board



B Lawson
Secretary

29th October 2008

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 the 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, 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 members of Express Insurance Services Limited

We have audited the company's financial statements for the 16 month period ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Recognised Gains and Losses and the related notes 1 to 16. 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 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 Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (UK 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

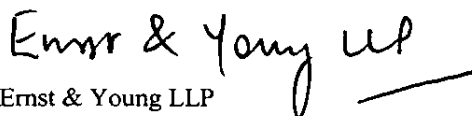
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 2007 and of its profit for the period 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.


Ernst & Young LLP
Glasgow

Registered auditor

30 October 2008

Profit and loss account

for 16 month period ended 31 December 2007

		<i>Period ended 31 December 2007</i>	<i>Year ended 31 August 2006 (restated)</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Turnover	1	14,350,118	9,481,631
Cost of sales		(10,926,554)	(7,461,671)
Operating profit	2	3,423,564	2,019,960
Exceptional item	3	450,635	-
Profit on ordinary activities before interest		3,874,199	2,019,960
Interest receivable		411,576	147,801
Profit on ordinary activities before taxation		4,285,775	2,167,761
Tax on profit on ordinary activities	6	(705,817)	(652,365)
Profit on ordinary activities after taxation	12	3,579,958	1,515,396

All amounts relate to continuing operations

The notes on pages 8 to 16 form an integral part of these financial statements

Statement of total recognised gains and losses

for the 16 month period ended 31 December 2007

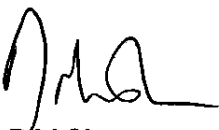
	<i>£</i>	<i>£</i>
Profit for the financial period	3,579,958	1,515,396
Total recognised gains relating to the period	3,579,958	1,515,396
Prior year adjustment (note 1)	200,900	-
Total gains and losses relating to the period	3,780,858	1,515,396

Balance sheet

at 31 December 2007

		31 December 2007	31 August 2006 (restated)
	Notes	£	£
Fixed assets			
Tangible assets	7	141,733	321,231
Current assets			
Stock		6,502	-
Debtors	8	2,222,022	2,988,066
Cash at bank and in hand		3,657,492	4,510,438
		5,886,016	7,498,504
Creditors amounts falling due within one year	9	(3,487,226)	(5,984,441)
Net current assets		2,398,790	1,514,063
Total assets less current liabilities		2,540,523	1,835,294
Capital and reserves			
Called up share capital	10	100,000	100,000
Profit and loss account	11	2,440,523	1,735,294
Equity shareholders' funds	12	2,540,523	1,835,294

The financial statements were approved for issue by the board of Directors on 22nd OCT 2008



D M Oliver
Director

24TH OCTOBER 2008

Notes to the financial statements

at 31 December 2007

1. Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

Turnover

Turnover arises from continuing operations and comprises commissions and other income arising principally from the sale of insurance policies in the United Kingdom, recognised at the inception of the policy. An allowance is made for expected cancellations. This policy has been implemented during the current period as detailed within the prior year adjustment note.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any impairment. Depreciation is provided at rates calculated to write off the assets over their estimated useful lives, as follows:

Fixtures and fittings, and plant and machinery	- 10 per cent straight line
Computer software & hardware	- 20 per cent straight line
Motor vehicles	- 25 per cent straight line

Cash

The company has risk transfer agreements in place with all suppliers and is therefore not subject to the FSA's client money regulations. As a matter of good practice the company continues to keep insurer monies in a separate bank account. The total funds held in this account are included within cash at bank and in hand.

Stocks

Stocks represent stationery and headsets. Stocks are valued at the lower of cost and estimated net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Insurance creditors

The company acts as an agent in broking the insurance risk of its clients and is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationship between clients and underwriters and since, in practice, premium monies are usually accounted for by insurance intermediaries, the Company has followed generally accepted accounting practice by showing cash and creditors relating to the sale of insurance policies as assets and liabilities of the company.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements

at 31 December 2007

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term

Pensions

The Company operates defined contribution scheme. Pension contributions are charged to the profit and loss account when due. Any difference between amounts charged to the profit and loss account and paid to the pension fund is shown in the balance sheet as a liability or asset.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Kwik-Fit Insurance Services Limited and is included in the consolidated financial statements of Speedy 1 Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

Prior year adjustment

During the period the company was acquired by Kwik Fit Insurance Services Limited and the accounting policies have been aligned with the accounting policies of the new group. The only change is to recognise a sale at inception of the relevant policies, together with an allowance for expected cancellations, whereas in prior periods sales revenue was recognised upon settlement of the premium to the insurer.

As a result, Turnover, profit before tax and profit after tax for the year ended 31 August 2006 are increased by £168,000, £168,000 and £117,600 respectively. Accrued income, deferred income and the current tax liability as at 31 August 2006 are increased by £510,000, £223,000 and £86,100 respectively. The net effect of the prior year adjustment is that shareholder funds as at 31 August 2006 increased by £200,900 and shareholders' funds as at 31 August 2005 increased by £83,300.

As a result of the change in policy turnover, profit before tax and profit after tax for the period ending 31 December 2007 are increased by £107,244, £107,244 and £75,071 respectively.

2. Operating profit

This is stated after charging

	<i>Period ended 31 December 2007 £</i>	<i>Year ended 31 August 2006 £</i>
Depreciation of tangible fixed assets -- owned by the company	115,596	107,077
Auditors' remuneration - audit	18,000	12,600
Operating lease rentals - plant and machinery	-	1,874
- other operating leases	121,411	116,691
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Notes to the financial statements

at 31 December 2007

3. Exceptional Items

Exceptional items during the year were as follows

	<i>Period ended 31 December 2007 £</i>	<i>Year ended 31 August 2006 £</i>
Gain on sale of Great Barr branch	450,635	-
	<u>450,635</u>	<u>-</u>

4. Staff costs

Staff costs were as follows

	<i>Period ended 31 December 2007 £</i>	<i>Year ended 31 August 2006 £</i>
Wages and salaries	4,711,688	3,320,193
Social security costs	422,440	314,269
Other pension costs	49,426	12,000
	<u>5,183,554</u>	<u>3,646,462</u>

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

	<i>Period ended 31 December 2007 No</i>	<i>Year ended 31 August 2006 No</i>
Sales	103	122
Administration and support	47	60

Notes to the financial statements

at 31 December 2007

5. Directors' emoluments

	<i>Period ended 31 December 2007 £</i>	<i>Year ended 31 August 2006 £</i>
Aggregate emoluments	159,892	95,900
Company contributions paid to defined contribution pension scheme	3,444	-
	<u>163,336</u>	<u>95,900</u>
	<i>No</i>	<i>No</i>
Members of defined contribution pension scheme	<u>1</u>	<u>-</u>

6. Tax

(a) Analysis of tax charge in the year

	<i>Period ended 31 December 2007 £</i>	<i>Year ended 31 August 2006 (restated) £</i>
Current tax (see note below)		
UK corporation tax charge on profits of the period	735,698	654,596
Deferred tax		
Origination and reversal of timing differences	(32,552)	(2,231)
Changes in tax rate	2,671	-
Tax on profit on ordinary activities	<u>705,817</u>	<u>652,365</u>

Notes to the financial statements

at 31 December 2007

6. Tax (continued)

(b) Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (2006 - 30%)
The differences are reconciled below

	<i>Period ended 31 December 2007</i>	<i>Year ended 31 August 2006 (restated)</i>
	<i>£</i>	<i>£</i>
Profit on ordinary activities before tax	4,285,975	2,167,761
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 30%)	1,285,793	650,328
<i>Effects of</i>		
Expenses not deductible for tax purposes	14,400	2,037
Depreciation for the period in excess of capital allowances	(1,639)	2,231
Group relief claimed for nil payment	(597,047)	-
Other fixed asset differences – loss on disposals	34,191	
Current tax charge for the period (see note above)	735,698	654,596

(c) Factors that may affect future tax charge

The rate of corporation tax was reduced to 28% as of 1 April 2008. This will affect future corporation tax payable.

(d) Deferred tax

The deferred tax included in the balance sheet is as follows

	<i>31 December 2007</i>	<i>31 August 2006 (restated)</i>
	<i>£</i>	<i>£</i>
Included within debtors (note 8)	37,402	7,521
Accelerated capital allowances	37,402	7,521
Deferred tax asset	37,402	7,521

Notes to the financial statements

at 31 December 2007

6. Tax (continued)

	<i>31 December</i>
	<i>2007</i>
	<i>(restated)</i>
	<i>£</i>
At 1 September 2006	7,521
Credit for the year (note 6(a))	29,881
At 31 December 2007	37,402

7. Tangible fixed assets

	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Cost			
At 1 September 2006	131,703	397,816	529,519
Additions	79,350	64,551	143,901
Disposal	(111,338)	(325,696)	(437,034)
At 31 December 2007	99,715	136,671	236,386
Depreciation			
At 1 September 2006	53,505	154,783	208,288
Charge for the period	32,770	82,826	115,596
Disposal	(19,569)	(209,662)	(229,231)
At 31 December 2007	66,706	27,947	94,653
Net book value			
At 31 December 2007	33,009	108,724	141,733
At 1 September 2006	78,198	243,033	321,231

Notes to the financial statements

at 31 December 2007

8. Debtors

	31 December 2007	31 August 2006 (restated)
	£	£
Trade debtors	1,766,439	1,976,358
Other debtors	13,223	104,015
Prepayments and accrued income	404,958	900,172
Deferred tax asset (note 6(d))	37,402	7,521
	<u>2,222,022</u>	<u>2,988,066</u>

9. Creditors: amounts falling due within one year

	31 December 2007	31 August 2006 (restated)
	£	£
Trade creditors	2,460,868	4,255,991
Amounts owed to group undertakings	108,111	-
Corporation tax	145,202	690,296
Social security and other taxes	87,469	89,373
Other creditors	215,595	590,274
Accruals and deferred income	469,981	358,507
	<u>3,487,226</u>	<u>5,984,441</u>

10. Share capital

	31 December 2007	31 August 2006
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Notes to the financial statements

at 31 December 2007

11. Reserves

	<i>Profit and loss account (restated) £</i>
At beginning of period as previously reported	1,534,394
Prior year adjustment (note 1)	200,900
Beginning of period as restated	1,735,294
Dividend paid	(2,874,729)
Profit for the period	3,579,958
At 31 December 2007	2,440,523

12. Reconciliation of movement in shareholders' funds

	<i>31 December 2007 £</i>	<i>31 August 2006 (restated) £</i>
At beginning of period as previously reported	1,634,394	236,598
Prior year adjustment (note 1)	83,300	83,300
Effect on current year of prior year adjustment (note 1)	117,600	-
At beginning of period as restated	1,835,294	319,898
Dividend paid	(2,874,729)	-
Profit for the period	3,579,958	1,515,396
Closing shareholders' funds	2,540,523	1,835,294

13. Capital commitments

At 31 December 2007 the company had capital commitments as follows

	<i>31 December 2007 £</i>	<i>31 August 2006 £</i>
Computer hardware and office furniture not contracted	116,000	-

Notes to the financial statements

at 31 December 2007

14. Operating lease commitments

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	<i>Land and buildings</i>	
	<i>31 December</i>	<i>31 August</i>
	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
Expiry date		
Between 2 and 5 years	72,500	72,500

15. Related party transactions

During the period to 6 June 2007, Bridgeminster Limited invoiced £55,225 (at 31 August 2006 - £95,900) for consultancy services to Express Insurance Services Limited. P A Moroney is a director of Bridgeminster Limited.

The company has taken advantage of the exemptions allowed under FRS 8 relating to subsidiary undertakings.

16. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking at 31 December 2007 is Kwik Fit Insurance Services Limited, a company registered in Scotland.

The Company's ultimate holding company is Financiere Daunou 2 S A, which is incorporated in Luxembourg and whose registered office address is 5, rue Guillaume Kroll, L-1471, Luxembourg. The ultimate controlling entity of Financiere Daunou 2 S A is PAI Partners SAS incorporated in France.

The largest group into which the activities of the Company are consolidated is that headed by Financiere Daunou 2 S A. The smallest group into which the activities of the Company are consolidated is that headed by Speedy 1 Limited. Copies of these financial statements are available to the public and may be obtained from the Company Secretary, 216 East Mains Street, Broxburn, West Lothian, EH52 5AS.