

Company Registration No. 5107527 (England and Wales)

**ACCIDENT ADVICE HOLDINGS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2009**

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## **ACCIDENT ADVICE HOLDINGS LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	B Beck D Werth L Beck D Scott Rees
<b>Secretary</b>	B A Beck
<b>Company number</b>	5107527
<b>Registered office</b>	Quadrant House – 6 <sup>th</sup> Floor 4 Thomas More Square London E1W 1YW
<b>Business address</b>	Accident Advice House Merrion Avenue Stanmore Middlesex HA7 4RP
<b>Bankers</b>	HSBC Bank plc 90 Baker Street London W1V 6AX
<b>Auditors</b>	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

## **ACCIDENT ADVICE HOLDINGS LIMITED**

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# **ACCIDENT ADVICE HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MAY 2009**

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The directors present their report and the financial statements for the year ended 31 May 2009

### **Principal activities and review of the business**

Accident Advice Holdings Limited is the holding company of a group of companies whose principal activities are the assistance of individuals with personal injury claims

### **Review of the business**

The personal injury claims sector remained a challenging market place during the year and the group's main focus during 2008/09 has been to grow the business

### **The group's development during the year**

During 2008/09 there has been no change to the group's target market which has continued to be members of the public who have suffered a no-fault personal injury

The group has never generated customers through door-to-door canvassing or cold calling and it also has no commission based sales force approaching potential claimants. In fact all customer contacts are handled by the group's client management call centre

### **The group's performance**

The business grew during the year with turnover increasing by 47% (2008 17%) to £14,579,501 (2008 £9,946,956). The percentage increase in turnover is a key performance indicator for the group as it measures the growth of our business.

Net profit before tax also grew to £3,320,918 (2008 £1,759,231)

### **The group's position**

The group's cash position at the year end was healthy with cash at bank and in hand amounting to £1,886,943 (2008 £861,096)

The Directors believe that the group's position in the marketplace is strong and we can look forward to further growth in 2009/10

No events have occurred since the balance sheet date which significantly affect the group

# **ACCIDENT ADVICE HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MAY 2009**

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### **Principal risks and uncertainties facing the group**

The principal risks and uncertainties facing the group are -

**Operational risk** . this is the risk of loss resulting from a breakdown in internal control systems which are designed to prevent and detect fraud and error

**Financial reporting risk** this is the risk that due to a breakdown in internal control or fraud, the financial statements are materially misstated

**Bad debt risk** this is the risk of defaults on debts from customers

**Business continuity risk** this is the risk that a disaster or other unexpected event occurs leading to an inability to conduct our business

**Compliance and regulatory risk** this is the risk that changes in the regulatory framework within which the group operates could reduce our ability to operate profitably in the future

The group seeks to manage these risks by having sound systems of internal control and risk management. The effectiveness of these systems are reviewed on a regular basis.

Such systems are designed to manage rather than eliminate risk and any system can provide only reasonable and not absolute assurance against material misstatement or loss.

As regards the risk of defaults on debts from customers, the group's exposure to bad debts has been low historically due to the tight credit control procedures which are maintained.

The risk of disruption to the business as a result of a disaster or unexpected event is mitigated as the group does have internal disaster recovery solutions in place. Moreover tapes containing up to date operational, financial and other business critical data are backed up on a daily basis and then stored in an off-site location.

The group operates in a sector where the business and regulatory environment changes frequently. The Ministry of Justice have announced that a new process for road traffic accident personal injury claims valued between £1,000 and £10,000 will be introduced from April 2010. The new scheme will reduce the time taken to settle disputes by setting fixed time limits and costs which will help victims of car accidents receive compensation quickly and simply.

Whilst our panel solicitors may experience a reduction in fixed fees from third parties, this should be more than offset by a reduction in costs.

### **Results and dividends**

The results for the year are set out on page 7.

An interim ordinary dividend was paid amounting to £1,000,000 (2008 £300,000). The directors do not recommend payment of a final dividend.

# **ACCIDENT ADVICE HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2009**

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### **Directors**

The following directors have held office since 1 June 2007

B Beck  
D Werth  
L Beck  
D Scott Rees

### **Auditors**

UHY Hacker Young are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under Companies Act 2006

### **Charitable donations**

During the period, the group made charitable donations of £9,676 (2008 £5,463), these were to various charitable organisations within the UK

### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare the 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 the group and of the profit or loss for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 adequate accounting records that are sufficient to show and explain the company's and group'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.

# **ACCIDENT ADVICE HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2009**

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### **Statement of disclosure to auditor**

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they 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

On behalf of the board



B Beck  
Director

24 February 2010

## **ACCIDENT ADVICE HOLDINGS LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE SHAREHOLDERS OF ACCIDENT ADVICE HOLDINGS LIMITED**

We have audited the financial statements of Accident Advice Holdings Limited for the year ended 31 May 2009 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group and Parent Company Reconciliation of Movements in Shareholders' Funds 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 Sections 495 and 496 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 Directors' Responsibilities Statement set out on page 3, 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 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 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 web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP)

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2009 and of the group's profit 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 matter 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.



**ACCIDENT ADVICE HOLDINGS LIMITED**

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**TO THE SHAREHOLDERS OF ACCIDENT ADVICE HOLDINGS LIMITED**

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**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



**Derek Levy (Senior statutory auditor)  
for and on behalf of UHY Hacker Young,**

24 February 2010

**Chartered Accountants  
Statutory Auditor**

# ACCIDENT ADVICE HOLDINGS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2009

	Notes	2009 £	2008 £
<b>Turnover</b>	<b>2</b>	14,579,501	9,946,956
Cost of sales		(5,194,754)	(3,656,477)
		<hr/>	<hr/>
<b>Gross profit</b>		9,384,747	6,290,479
Administration expenses		(6,105,021)	(4,485,152)
Other operating income		-	-
		<hr/>	<hr/>
<b>Operating profit</b>	<b>3</b>	3,279,726	1,805,327
Interest receivable	<b>4</b>	41,294	33,812
Interest payable and similar charges	<b>5</b>	(102)	(79,908)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		3,320,918	1,759,231
Tax on profit on ordinary activities	<b>6</b>	(968,687)	(472,561)
		<hr/>	<hr/>
<b>Profit for the year</b>	<b>15</b>	<u>2,352,231</u>	<u>1,286,670</u>

The group's operations remain unchanged, no operations were disposed of or acquired

There are no recognised gains or losses other than those passing through the profit and loss account

# ACCIDENT ADVICE HOLDINGS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31 MAY 2009

	Notes	£	2009 £	£	2008 £
<b>Fixed assets</b>					
Tangible assets	10		52,363		28,372
<b>Current assets</b>					
Debtors	12	1,205,800		798,414	
Cash at bank and in hand		1,886,943		861,096	
		3,092,743		1,659,510	
<b>Creditors: amounts falling due within one year</b>	13	(1,591,755)		(1,486,762)	
<b>Net current assets/(liabilities)</b>			1,500,988		172,748
<b>Total assets less current assets/(liabilities)</b>			1,553,351		201,120
<b>Capital and reserves</b>					
Called up share capital	14		62,500		62,500
Profit and loss account	15		1,490,851		138,620
<b>Shareholders' funds – equity interests</b>	16		1,553,351		201,120

These financial statements were approved by the Board and authorised for issue on 24 February 2010

B Beck  
Director

D Scott Rees  
Director

*[Handwritten signature of D Scott Rees]*

# ACCIDENT ADVICE HOLDINGS LIMITED

## COMPANY BALANCE SHEET AS AT 31 MAY 2009

	Notes	£	2009 £	£	2008 £
<b>Fixed assets</b>					
Investments	11		7		8
<b>Current assets</b>					
Debtors	12	428,886		634,008	
Cash at bank and in hand		264		174	
		<u>429,150</u>		<u>634,182</u>	
<b>Creditors: amounts falling due within one year</b>	13	(382)		(10,557)	
		<u></u>		<u></u>	
<b>Net current assets</b>			428,768		623,625
			<u></u>		<u></u>
<b>Total assets less current liabilities</b>			428,775		623,633
			<u></u>		<u></u>
<b>Capital and reserves</b>					
Called up share capital	14		62,500		62,500
Profit and loss account	15		366,275		561,133
			<u></u>		<u></u>
<b>Shareholders' funds – equity interests</b>	16		428,775		623,633
			<u></u>		<u></u>

These financial statements were approved by the Board and authorised for issue on 24 February 2010

B Beck  
Director

D Scott Rees  
Director

# ACCIDENT ADVICE HOLDINGS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2009

	Notes	£	2009 £	£	2008 £
<b>Net cash inflow from operating activities</b>	<b>17</b>		<b>2,789,171</b>		<b>1,816,287</b>
<b>Returns on investments and servicing of finance</b>					
Interest received		41,294		33,812	
Interest paid		(102)		(79,908)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			<b>41,192</b>		<b>(46,096)</b>
<b>Taxation</b>					
Corporation tax paid			(755,282)		(42,092)
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		49,234		16,771	
<b>Net cash outflow for capital expenditure</b>			<b>(49,234)</b>		<b>(16,771)</b>
<b>Equity dividends paid</b>			<b>(1,000,000)</b>		<b>(300,000)</b>
<b>Net cash inflow/(outflow) before financing</b>			<b>1,025,847</b>		<b>1,411,328</b>
<b>Financing</b>					
Repay secured loan			-		(1,071,413)
<b>Net cash inflow/(outflow) from financing</b>			<b>-</b>		<b>(1,071,413)</b>
<b>Increase in cash in the year</b>	<b>19</b>		<b>1,025,847</b>		<b>339,915</b>

# ACCIDENT ADVICE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009

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### 1. Accounting policies

#### 1.1 Basis of preparation

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

The financial statements have been prepared on the going concern basis

#### 1.2 Turnover

Turnover represents the amounts receivable for goods and services net of VAT and trade discounts and is recognised on the following basis

- a) Income contingent on a third party event is recognised on the occurrence of that event
- b) All other income is recognised on an accruals basis when the right to consideration occurs

#### 1.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertakings drawn up to 31 May 2009 by the acquisition method of accounting. Intra-group transactions and results are eliminated on consolidation

#### 1.4 Tangible fixed assets

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Computer equipment	33% straight line
Fixtures and fittings	33% straight line

#### 1.5 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

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

#### 1.6 Investments

Fixed asset investments are stated at cost less provision for impairment in value

#### 1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

#### 1.8 Goodwill

Acquired goodwill is written off over its estimated useful economic life of one year

# ACCIDENT ADVICE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009

### 2. Turnover

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom

### 3. Operating profit/(loss)

	2009 £	2008 £
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Operating profit/(loss) is stated after charging, Depreciation of tangible fixed assets	25,243	14,192
Rentals under operating leases - land and buildings	218,350	194,620
- plant and machinery	37,921	35,985
Auditors' remuneration		
Audit fees	45,120	54,576
	<u>          </u>	<u>          </u>

### 4. Other interest receivable and similar income

	2009 £	2008 £
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Bank interest	41,294	33,812
	<u>          </u>	<u>          </u>

### 5. Interest payable and similar charges

	2009 £	2008 £
--	-----------	-----------

Bank loans and overdrafts	102	255
Other loan interest	-	76,638
Interest due on overdue tax	-	3,015
	<u>          </u>	<u>          </u>
	102	79,908
	<u>          </u>	<u>          </u>

# ACCIDENT ADVICE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009

	2009 £	2008 £
<b>6. Taxation</b>		
UK current year tax	968,687	473,210
UK prior year tax	-	(649)
	<hr/>	<hr/>
UK corporation tax charge	<u>968,687</u>	<u>472,561</u>
	<hr/>	<hr/>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>3,320,918</u>	<u>1,759,231</u>
	<hr/>	<hr/>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2008 30%)	<u>929,857</u>	<u>527,769</u>
	<hr/>	<hr/>
Effects of:		
Depreciation	7,068	4,258
Expenses not deductible for tax	53,452	34,399
Capital allowances	(19,905)	(10,044)
Prior year tax charge	-	(649)
Other tax adjustments	(1,775)	(6,275)
Tax losses utilised	(10)	(76,897)
	<hr/>	<hr/>
	<u>38,830</u>	<u>(55,208)</u>
	<hr/>	<hr/>
<b>Current tax charge</b>	<u>968,687</u>	<u>472,561</u>
	<hr/>	<hr/>
The group has estimated tax losses of £6,900 (2008 £6,900) available for carry forward against future trading profits		
	2009 £	2008 £
<b>7. Dividends</b>		
Ordinary interim paid	<u>1,000,000</u>	<u>300,000</u>



# ACCIDENT ADVICE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2009

### 8. Profit and loss account of parent company

As permitted by Section 230 of the Companies Act, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit on ordinary activities after taxation for the financial year amounted to £805,142 (2008: £499,887)

### 9. Goodwill

Group	Total £
<b>Cost</b>	
As at 1 June 2008 and 31 May 2009	299,998
<b>Amortisation</b>	
As at 1 June 2008 and 31 May 2009	299,998
<b>Net book value</b>	
As at 31 May 2008 and 31 May 2009	-

### 10. Tangible fixed assets

	Computer equipment	Fixtures and fittings	Total
Group	£	£	£
<b>Cost</b>			
At 1 June 2008	102,040	75,937	177,977
Additions	49,234	-	49,234
At 31 May 2009	151,274	75,937	227,211
<b>Depreciation</b>			
At 1 June 2008	76,240	73,365	149,605
Charge for the period	23,938	1,305	25,243
At 31 May 2009	100,178	74,670	174,848
<b>Net book value</b>			
At 31 May 2009	51,096	1,267	52,363
At 31 May 2008	25,800	2,572	28,372

# ACCIDENT ADVICE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2009

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### 11. Fixed asset investments

Company	Shares in subsidiaries £
<b>Cost</b>	
At 1 June 2008	8
Additions	-
Disposal	(1)
	<hr/>
At 31 May 2009	7
	<hr/>
<b>Impairment</b>	
At 1 June 2008	-
Disposal	-
	<hr/>
At 31 May 2009	-
	<hr/>
<b>Net book value</b>	
At 31 May 2009	7
	<hr/>
At 31 May 2008	8
	<hr/>

# ACCIDENT ADVICE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009

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### 11. Fixed asset investments (continued)

The following subsidiaries are wholly owned, are registered in England and the class of shares held in each case are ordinary shares

Company	Principal activities
Access to Compensation Limited	Advertising and marketing services
Claim 100 Limited	Intermediate holding company
Accident Advice Helpline Direct Limited	Assisting individuals with personal injury claims
Accident Advice Helpline Limited	Intermediate holding company
Cab Claims Limited	Dormant
Claim4 Limited	Dormant
Employment Advice Bureau Limited	
Legal Facilities Management & Services Limited	Assisting individuals with personal injury claims
Liberty Protect Limited	Assisting individuals with personal injury claims
Claim 101 Limited*	Dormant
Claim 102 Limited*	Dormant
Claim 103 Limited*	Dormant
Claim 104 Limited*	Dormant
Claim 105 Limited*	Dormant
Accident Advice Insurance Management Group Limited**	Intermediate holding company
Accident Advice (FAI) Limited***	Dormant
Accident Advice (IA) Limited***	Dormant

\* Shares held by Claim 100 Limited

\*\* Shares held by Accident Advice Helpline Limited

\*\*\* Shares held by Accident Advice Insurance Management Group Limited

# ACCIDENT ADVICE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009

12.	Debtors	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
	Trade debtors	515,372	-	505,731	-
	Amounts owed by subsidiary undertakings	-	416,756	-	612,554
	Other debtors	2,067	-	18,357	-
	Prepayments and accrued income	688,361	12,130	274,326	21,454
		<u>1,205,800</u>	<u>428,886</u>	<u>798,414</u>	<u>634,008</u>
13.	Creditors: amounts falling due within one year	Group 2009 £	Company 2009 £	Group 2008 £	Company 2008 £
	Trade creditors	377,557	-	387,827	10,199
	Amounts owed to group companies	-	7	-	8
	Taxes and social security	215,150	-	186,018	-
	Other creditors	7,234	-	7,756	-
	Corporation tax payable	686,615	-	473,210	-
	Accruals and deferred income	305,199	375	431,951	350
		<u>1,591,755</u>	<u>382</u>	<u>1,486,762</u>	<u>10,557</u>
14.	Share capital				
	Group and company			2009 £	2008 £
	Authorised				
	100,000 Ordinary shares of £1 each			<u>100,000</u>	<u>100,000</u>
	Group and company			2009 £	2008 £
	Called up, allotted and fully paid				
	62,500 Ordinary shares of £1 each			<u>62,500</u>	<u>62,500</u>

# ACCIDENT ADVICE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009

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### 15. Statement of movements on reserves

	Profit and loss £
<b>Group</b>	
As at 1 June 2008	138,620
Profit for the year	2,352,231
Dividends paid	(1,000,000)
	<hr/>
Balance at 31 May 2009	<u>1,490,851</u>
	Profit and loss £
<b>Company</b>	
As at 1 June 2008	561,133
Profit for the year	805,142
Dividends paid	(1,000,000)
	<hr/>
Balance at 31 May 2009	<u>366,275</u>

# ACCIDENT ADVICE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009

### 16. Reconciliation of movements in shareholders' funds

Group	2009	2008
	£	£
Profit/(loss) for the year	2,352,231	1,286,670
Dividends paid	(1,000,000)	(300,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	1,352,231	986,670
Opening shareholders' funds	201,120	(785,550)
	<hr/>	<hr/>
Closing shareholders' funds	<u>1,553,351</u>	<u>201,120</u>
Company	2009	2008
	£	£
Profit for the year	805,142	499,887
Dividends paid	(1,000,000)	(300,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	(194,858)	199,887
Opening shareholders' funds	623,633	423,746
	<hr/>	<hr/>
Closing shareholders' funds	<u>428,775</u>	<u>623,633</u>

### 17. Reconciliation of operating profit to net cash outflow from operating activities

	2009	2008
	£	£
Operating profit/(loss)	3,279,726	1,805,327
Depreciation	25,243	14,192
Decrease/(increase) in debtors	(407,386)	(189,987)
(Decrease)/increase in creditors within one year	(108,412)	201,755
(Decrease)/increase in provisions	-	(15,000)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	<u>2,789,171</u>	<u>1,816,287</u>

# ACCIDENT ADVICE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009

### 18. Reconciliation of net cash flow to movement in net funds

	2009 £	2008 £
Increase in cash in period	1,025,847	339,915
Cash outflow/(inflow) from decrease/(increase) in debt	-	1,071,413
	<hr/>	<hr/>
Change in net debt resulting from cash flows	1,025,847	1,411,328
Opening net funds	861,096	(550,232)
	<hr/>	<hr/>
Closing net funds	<u>1,886,943</u>	<u>861,096</u>

### 19. Analysis of net funds

	At 1 June 2008 £	Cash flow £	At 31 May 2009 £
Net cash			
Cash at bank and in hand	861,096	1,025,847	1,886,943
	<hr/>	<hr/>	<hr/>
Debt	861,096	1,025,847	1,886,943
Debt due within one year	-	-	-
Debt due after one year	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>
Net funds	<u>861,096</u>	<u>1,025,847</u>	<u>1,886,943</u>

# ACCIDENT ADVICE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009

### 20. Financial commitments

#### Capital commitments

There were no capital commitments at the end of the period

#### Lease commitments

As at 31 May 2009 the group had annual commitments under non-cancellable operating leases as follows

Expiry date	Land and Buildings 2009 £	Land and Buildings 2008 £	Other 2009 £	Other 2008 £
Within one year	59,971	23,361	9,354	1,770
Within two to five years	-	-	5,857	26,261
	<u>59,971</u>	<u>23,361</u>	<u>15,211</u>	<u>28,031</u>

### 21. Directors' emoluments

	2009 £	2008 £
Emoluments for qualifying services	<u>483,000</u>	<u>445,000</u>
Emoluments disclosed above include the following amount paid to the highest paid director	<u>215,000</u>	<u>164,000</u>

### 22. Employees

#### Number of employees

The average monthly number of employees (including directors) during the period was

	2009 Number	2008 Number
Sales and administration	<u>127</u>	<u>104</u>
<b>Employment costs</b>	<b>£</b>	<b>£</b>
Wages and salaries	3,941,601	2,822,214
Social security costs	<u>390,806</u>	<u>260,427</u>
	<u>4,332,407</u>	<u>3,082,641</u>



## **ACCIDENT ADVICE HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009**

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#### **23. Related party transactions**

The group had the following related party transactions during the year

The group paid rent and service charges of £191,887 (2008 £158,470) to AAG (HQ) Limited B A Beck and L Beck are directors of this company

The group paid consultancy fees of £281,074 (2008 £288,100) to Marson Management Services Limited B A Beck is a director and shareholder of this company

During the financial year 31 May 2006, a loan was received from Marson Financial Services Limited The sum of £nil (2008 £Nil) was outstanding at the year end During the year interest of £nil (2008 £76,638) was paid in respect of this loan B A Beck is a director and shareholder of this company

#### **24. Control**

The control of the company is by the Beck family