

Registered Number 5262530

**GBI (HOLDINGS) LIMITED**  
**Directors' Report and Financial Statements**  
**for the year ended 31 December 2010**



Registered Office 5 Old Broad Street, London EC2N 1AD

**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**  
**COMPANY INFORMATION**

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**DIRECTOR**

S N Hardy

**SECRETARY**

J P Small

**AUDITORS**

PricewaterhouseCoopers LLP  
London

**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**  
**DIRECTORS' REPORT**

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The director has pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2010

**PRINCIPAL ACTIVITIES**

The Company is a holding company owning AXA UK's direct insurance operation, swiftcover.com

**RESULTS AND DIVIDEND**

The profit attributable to shareholders of the Company for the period ended 31 December 2010 was £10,292,000 (2009: £759,000 loss). The directors do not recommend the payment of a dividend for the period ended 31 December 2010 (2009 nil).

During the year, the directors approved and paid an interim dividend of £10m to AXA UK Plc. The directors do not recommend the payment of a final dividend for the year ended 31 December 2010 (2009 nil).

**FUTURE DEVELOPMENTS**

The directors aim to enhance direct insurance opportunities within the UK through the Company's subsidiary, Swiftcover Insurance Services Limited.

**DIRECTORS**

The director of the Company at the date of this report is shown on page 1.

P. L. H. Maso y Guell Rivet resigned as a director of the Company on 2 March 2011.

**EXERCISE OF DIRECTORS' AXA SA OPTIONS**

None of the directors of the Company exercised share options during the year (2009 nil).

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

Each director in office at the date of approval of this report confirms that

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**  
**DIRECTORS' REPORT (CONTINUED)**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Approved by the Sole Director



**S. N. Hardy**  
Director  
20 September 2011

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
GBI (HOLDINGS) LIMITED (CONTINUED)  
REGISTERED NUMBER: 5262530**

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We have audited the financial statements of GBI (Holdings) Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its 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.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
GBI (HOLDINGS) LIMITED (CONTINUED)  
REGISTERED NUMBER: 5262530**

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



Matthew Nichols (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
21 September 2011

**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Administrative Expenses		-	(1,606)
<b>Operating profit / (loss)</b>		-	(1,606)
Interest receivable and similar income	3	10,405	552
<b>Profit / (loss) on ordinary activities before taxation</b>	2	10,405	(1,054)
Tax on profit / (loss) on ordinary activities	5	(113)	295
<b>Profit / (loss) for the financial year</b>		<b>10,292</b>	<b>(759)</b>

All amounts relate to continuing operations

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 31 December 2010

	2010 £'000	2009 £'000
Profit / (loss) for the financial year	10,292	(759)
Prior year adjustment - shares written off	-	(5)
<b>Total recognised gains and losses relating to the year</b>	<b>10,292</b>	<b>(764)</b>

The prior year adjustment has arisen due to an administrative error in prior years

There is no material difference between the result as disclosed in the profit and loss account and the result on an historical cost basis


The notes on pages 8 to 15 form an integral part of these financial statements

**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**

**BALANCE SHEET**  
as at 31 December 2010

	Note	2010 £'000	2009 £'000
<b>Fixed Assets</b>			
Investment in subsidiary undertaking	6	3,503	-
Debtors due after one year	7	17,137	16,732
		<u>20,640</u>	<u>16,732</u>
<b>Current assets</b>			
Cash at bank and in the hand		687	343
		<u>687</u>	<u>343</u>
<b>Current liabilities</b>			
Creditors - amounts falling due within one year	8	(4,278)	(3,821)
<b>Net current (liabilities)/assets</b>		<u>(3,591)</u>	<u>(3,478)</u>
<b>Total assets less current liabilities</b>		<u>17,049</u>	<u>13,254</u>
<b>Capital and reserves</b>			
Called-up share capital	9	245	245
Share premium account		4,498	4,498
Capital contribution	10	12,830	9,327
Profit and loss account	10	(524)	(816)
		<u>17,049</u>	<u>13,254</u>

The financial statements on pages 6 to 15 were approved by the Sole Director on 20 September 2011



**S. N. Hardy**  
Director



**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**1 STATEMENT OF ACCOUNTING POLICIES**

The principal accounting policies are set out below

**1.1 Basis of preparation**

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the provisions of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("SI2008/410") and applicable UK accounting standards

The financial statements have been prepared in accordance with applicable UK accounting standards. A summary of the most important accounting policies is set out below, together with an explanation of where changes have been made to previous policies on adoption of new accounting standards in the year

The Company has not adopted Financial Reporting Standard ("FRS") 29 (Financial Instruments Disclosures), FRS 23 (The Effects of Changes in Foreign Exchange Rates), or any subsequent amendments to these standards. The Company is exempt from these standards as it has not adopted FRS 26 (Financial Instruments: Recognition and Measurement)

The Company has adopted the amendments to FRS 11 (Impairment of Fixed Assets and Goodwill) and Urgent Issue Task Force abstract 46 (Hedges of a Net Investment in a Foreign Operation), as part of the annual improvements review of all accounting standards, including the basis of conclusions and application guidance. The amendments are applicable for accounting periods beginning on or after 1 January 2010, but have had no significant effect on the financial statements

**1.2 Deferred Tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which future reversal of underlying timing differences can be deducted

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

**1.3 Investment**

The investment in subsidiaries is stated at net asset value as an approximation to current value

**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1 STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**

**1.4 Foreign Exchange**

Foreign currency assets of the Company are translated into sterling at the rates of exchange ruling at the balance sheet date. Any exchange differences that arise are dealt with in the profit and loss.

**2 OPERATING PROFIT / (LOSS)**

The profit / (loss) on ordinary activities before taxation which originated in the UK for the period was arrived at after charging	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
	<u>5</u>	<u>5</u>
Fees payable to the Company's current auditor for the audit of the statutory accounts	5	5
Foreign exchange gains	-	174
Loan written off	-	(1,775)
	<u>5</u>	<u>1,596</u>

All business arises within the United Kingdom

**3 INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
Interest receivable from group companies	405	552
Equity dividends from subsidiary undertakings	<u>10,000</u>	<u>-</u>
	<u>10,405</u>	<u>552</u>

**4 DIRECTORS' EMOLUMENTS**

The directors are employed and paid by companies in the AXA group and their directorships are held as part of that employment. Other than as disclosed below, no director has received any emoluments or other benefits from the Company or from any other company in the AXA group in respect of services to the Company.

	<b>2010</b> <b>£'000</b>	<b>2009</b> <b>£'000</b>
Aggregate emoluments	<u>360</u>	<u>342</u>

**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**4 DIRECTORS EMOLUMENTS (CONTINUED)**

Retirement benefits are accruing to 1 director (2009. 1) under a defined benefit pension scheme

**Amounts attributable to highest paid director**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments	<u>360</u>	<u>314</u>
Defined contribution scheme.		
Accrued pension at end of year	<u>41</u>	<u>47</u>

**Directors' Interests in Transactions**

No contract in which a director was interested and which was material to the group or its subsidiaries or to the other transacting party existed during the year

**Loans to Directors and Connected Persons**

No loans or quasi-loans exceeding £5,000 to directors and connected persons were made or subsisted during the year

None of the directors exercised share options or employee sharesave options in AXA UK plc during the year

Mr P L H Maso y Guell Rivet was also a director of the intermediate parent company, AXA UK plc, during the year and his emoluments, which relate to his services to the AXA group as a whole, are disclosed in the financial statements of that company

**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

**5a ANALYSIS OF TAX CHARGE IN THE PERIOD**

	2010 £'000	2009 £'000
<u>Current tax</u>		
UK corporation tax on profits / (losses) of the period	113	(295)
Adjustments in respect of previous periods	-	-
Total current tax (note 5b)	<u>113</u>	<u>(295)</u>

**5b FACTORS AFFECTING CURRENT TAX CREDIT FOR THE PERIOD**

The tax assessed for the period is lower (2009 equal) than the standard rate of corporation tax in the UK (28%) The differences are explained below

	2010 £'000	2009 £'000
Profit / (loss) on ordinary activities before tax	<u>10,405</u>	<u>(1,054)</u>
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	2,913	(295)
<u>Effects of</u>		
Income not taxable (UK equity Dividend)	<u>(2,800)</u>	-
Current tax (credit) / charge for period (note 5a)	<u>113</u>	<u>(295)</u>

During the year the UK corporation tax rate reduced from 28% to 27% this was enacted in Finance (No 2) Act 2010 as effective from 1 April 2011.

Following the Government 2011 Budget announcement, a further reduction in the UK tax rate to a rate of 26% with effect from 1 April 2011 was substantively enacted on 29 March 2011 This is expected to be followed by further 1% per annum annual reductions which will bring the rate to 23% by 1 April 2014 The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements

**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6 INVESTMENTS IN SUBSIDIARIES**

	2010 £'000	2009 £'000
<b>Shares in group undertakings</b>		
At 1 January	-	-
Investment in subsidiary	8,503	-
Return of capital from subsidiary	(5,000)	-
At 31 December	<u>3,503</u>	<u>-</u>

Under The Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008 (Schedule 4 Part 3), a company is required to disclose a list of all of its subsidiaries (and subsidiaries of its subsidiary), their country of incorporation and the % holding of shares in the financial statements

Company	Country of incorporation or operation	Nature of business	Holding	Proportion Held
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**Subsidiary  
undertaking**

Swiftcover Insurance Services Limited*	UK	Insurance	Ordinary	100%
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Company	Country of incorporation or operation	Nature of business	Holding	Proportion Held
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**Subsidiaries of its  
subsidiary**

Supplier and Incident Management Services Limited	UK	Claims Handling Services	Ordinary	100%*
SIMS Claims Services Limited	UK	Claims Handling Services	Ordinary	100%
Knight Law Limited	UK	Legal Services	Ordinary	100%
Knight Rehabilitation Services Limited	UK	Claims Rehabilitations Services	Ordinary	100%

\* Direct subsidiary

**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7 DEBTORS: AMOUNTS DUE AFTER ONE YEAR**

	2010 £'000	2009 £'000
Amounts owed by group undertakings	<u>17,137</u>	<u>16,732</u>

All interest receivable in the profit and loss account relates to the loan between Swiftcover Insurance Services Limited and the Company.

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £'000	2009 £'000
Accruals	15	15
Amounts owed to parent company	227	100
Amounts owed to group undertakings	3,845	3,503
Other creditors	<u>191</u>	<u>203</u>
	<u><b>4,278</b></u>	<u><b>3,821</b></u>

**9 CALLED-UP SHARE CAPITAL**

	2010 £	2009 £
Allotted, called-up and fully paid		
199,373 Ordinary A shares of £1 each	199,373	199,373
45,328 Ordinary B shares of £1 each	<u>45,328</u>	<u>45,328</u>
	<u><b>244,701</b></u>	<u><b>244,701</b></u>

The Ordinary A Shares and the Ordinary B Shares carry substantially the same rights and privileges and rank pari passu in most respects, save as for certain provisions as detailed fully in the Articles of Association. The A Shareholders have preferential rights regarding the transfer of shares, are required to form a quorum at a general meeting and have the right to appoint a Chairman of the same. The A Shareholders also have the right to nominate the Chairman of the board of directors and have the collective right to appoint a majority of the directors. The B Shareholders have the collective right to appoint two directors.

<b>Dividends</b>	2010 £'000	2009 £'000
<b>Equity - Ordinary</b>		
Interim paid 40 86p per Ordinary A and B share	<u><b>10,000</b></u>	<u><b>-</b></u>

**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10 RESERVES**

	<b>Capital Contribution</b>	<b>Profit &amp; Loss Account</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 January 2010	9,327	(816)	8,511
Profit for the financial year	-	10,292	10,292
Increase in capital contribution	8,503	-	8,503
Dividend paid	-	(10,000)	(10,000)
Movement on capital contribution reserve	(5,000)	-	(5,000)
Balance at 31 December 2010	12,830	(524)	12,306

**11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2010 £'000</b>	<b>2009 £'000</b>
<b>Opening shareholders funds</b>	<b>13,254</b>	<b>14,018</b>
Profit/ (Loss) for the financial year	10,292	(759)
Prior year adjustment (shares written off)	-	(5)
Dividend paid	(10,000)	-
Increase in capital contribution	8,503	
Movement in capital contribution reserve	(5,000)	-
<b>Closing shareholders funds</b>	<b>17,049</b>	<b>13,254</b>

**12 CASH FLOW STATEMENT**

Under FRS 1 (Cash Flow Statements (revised 1996)), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a subsidiary undertaking of a parent undertaking which produces a consolidated cash flow statement. The cash flow of the Company is consolidated in the AXA financial statements, which can be obtained from 23, avenue Matignon, 75008 Paris, France.

**13 RELATED PARTIES**

The Company has taken advantage of the exemption granted under FRS 8 (Related Party Disclosures) which exempts it from disclosing related party transactions where the related party is part of the AXA UK plc group. No transactions arose with other companies in the ultimate parent company, AXA group (2009: none).

**GBI (HOLDINGS) LIMITED**  
**REGISTERED NUMBER: 5262530**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**14 IMMEDIATE AND ULTIMATE PARENT**

In the opinion of the directors, the Company's immediate parent is AXA UK plc and the Company's ultimate parent and controlling undertaking is AXA SA, a company incorporated in France. The parent undertaking of the largest and smallest group which includes the Company and for which group financial statements are prepared is AXA SA. Copies of the AXA SA Group financial statements can be obtained from 23, avenue Matignon, 75008 Paris, France