

Text2Insure Limited
Registered Number 5347290

Directors' Report and Financial Statements

31 December 2010



TEXT2INSURE LIMITED

Directors' Report and Financial Statements

Contents

	Page
Directors and advisers	2
Report of the Directors	3
Statutory financial statements	
Statement of comprehensive income	4
Statement of changes in equity	5
Statement of financial position	6
Statement of cash flows	7
Significant accounting policies	8-11
Notes to the financial statements	12-19
Statement of directors' responsibilities	20
Report of the independent auditor	21

TEXT2INSURE LIMITED

Directors and Advisers

Directors

Jason Banwell

Resigned 25 January 2011

Robert Hand

Malcolm McLean

Barry Smith

Matthew Thomas

Nicholas Thurlow

Secretary

Susan Balfour

Registered Address

Ageas House

Tollgate

Eastleigh

Hampshire

SO53 3YA

Registered Number 5347290

Independent Auditor

KPMG Audit Plc

Canary Wharf

15 Canada Square

London

E14 5GL

Bankers

National Westminster Bank Plc

Southampton High Street Branch

PO Box 315

Southampton

SO14 2BF

HSBC Bank Plc

165 High Street

Southampton

SO14 2NZ

TEXT2INSURE LIMITED

Report of the Directors

The Directors submit their report, together with the audited financial statements for the year ended 31 December 2010

Activities

The Company provides information technology for the provision of general insurance policies via mobile phones and websites

Business review

Full details of the Company's results are contained in the accounts on pages 4 to 19. The Directors intend to continue the development of the business by providing general insurance services via mobile phones and websites

Results and Dividend

The result of the period's operation is a profit after tax of £272,823 (2009 profit of £257,726). No dividend was paid in 2010 (2009 £nil)

Directors

The Members of the Board are shown on Page 2. Jason Banwell resigned on 25 January 2011. All other directors served throughout the year and to the date of this report.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' shareholdings

None of the directors or their families had any disclosable interest in either the shares of the Company, or any other group company, or of the ultimate holding company at 31 December 2010.

Auditor

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

Employee involvement

Staff are kept up to date about a wide range of Company developments through a programme of engagement activities, delivered through a variety of channels. This includes formal Director briefings for all staff and management on the Company's performance and strategy, as well as regular bulletins and employee newsletters. In addition, informal discussions take place with senior management. The views of staff are represented by an elected Staff Council, which holds regular meetings with management and also links to the parent company through the European Works Council.

Disability and equality

Following the Equality Act 2010 coming into force on 1 October 2010 we have taken a number of actions in response. The Act consolidates the range of discrimination legislation that has been in place and, as a result, the Company's policy and procedures have been reviewed. In addition, briefings for staff and management have been carried out to update them on the new requirements, and an e-learning module has been completed by all staff which aims to further embed our approach to a diverse working environment.

This Report was approved by the Board of Directors on 10 May 2011 and signed on its behalf by



Susan Balfour
Secretary

TEXT2INSURE LIMITED

Statement of comprehensive income

For the year ended 31 December 2010

	Notes	2010 £	2009 £
Turnover	3	1,414,339	1,225,879
Cost of sales	4	(54,832)	(83,464)
Gross profit		<u>1,359,507</u>	<u>1,142,415</u>
Administrative expenses	5	(1,083,326)	(868,051)
Operating profit		<u>276,181</u>	<u>274,364</u>
Finance cost	6	(3,718)	(11,665)
Interest income	7	360	1,634
Profit before income taxes		<u>272,823</u>	<u>264,333</u>
Income taxes	8	-	(6,607)
Profit for the year		<u>272,823</u>	<u>257,726</u>

The notes on pages 12 to 19 are an integral part of these financial statements

TEXT2INSURE LIMITED

Statement of changes in equity

For the year ended 31 December 2010

	Share capital £	Retained £	Total £
Balance as at 1 January 2009	1,000	(375,268)	(374,268)
Net profit for the year 2009	0	257,726	257,726
Balance as at 31 December 2009	1,000	(117,542)	(116,542)
Net profit for the year - 2010	0	272,823	272,823
Total recognised income for the year	0	272,823	272,823
Balance as at 31 December 2010	1,000	155,281	156,281

The notes on pages 12 to 19 are an integral part of these financial statements

TEXT2INSURE LIMITED

Statement of financial position

As at 31 December 2010

	Notes	2010 £	2009 £
Assets			
Tangible fixed assets	10	3 164	2 864
Financial assets			
- Receivables	11	621,691	208,519
Cash and cash equivalents	12	-	50
Total assets		<u>624,855</u>	<u>211,433</u>
Shareholders' equity			
Share capital	13	1,000	1,000
Retained earnings/(deficit)		<u>155 281</u>	<u>(117 542)</u>
Total shareholders' equity		<u>156,281</u>	<u>(116 542)</u>
Liabilities			
Financial liabilities			
- Loans and borrowings	14	260,922	132 935
Other payables	15	<u>207,652</u>	<u>195,040</u>
Total liabilities		<u>468 574</u>	<u>327 975</u>
Total equity and liabilities		<u>624,855</u>	<u>211,433</u>

The financial statements on pages 4 to 19 were approved by the board of directors on 10 May 2011 and were signed on its behalf by


Nicholas Thurnow
Director


Matthew Thomas
Director

The notes on pages 12 to 19 are an integral part of these financial statements

TEXT2INSURE LIMITED

Statement of cash flows

For the year ended 31 December 2010

	2010 £	2009 £
Cash flows from operating activities		
Profit before income taxes	272,823	264,333
<i>Adjustments for</i>		
Interest income	(360)	(1,634)
Finance cost	3,718	11,665
Depreciation	<u>2 638</u>	<u>1 906</u>
Operating loss before working capital changes	278 819	276,270
Increase in financial assets	(413,172)	(20,240)
Increase/ (decrease) in financial liabilities	<u>126,718</u>	<u>(237 892)</u>
Cash flows used in operations	(7,635)	18,138
Interest received	360	1,634
Interest paid	(3,718)	(11,665)
Income taxes paid	<u>-</u>	<u>(6,607)</u>
Net cash flows from operating activities	<u>(10,993)</u>	<u>1,500</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	<u>(2,938)</u>	<u>(1 500)</u>
Net cash used in investing activities	<u>(2,938)</u>	<u>(1,500)</u>
Net decrease in cash and cash equivalents	(13,931)	-
Cash and cash equivalents at start of period	<u>50</u>	<u>50</u>
Cash and cash equivalents at end of period	<u>(13 881)</u>	<u>50</u>

The notes on pages 12 to 19 are an integral part of these financial statements

TEXT2INSURE LIMITED

Significant accounting policies

Text2insure Limited is a private company, limited by shares, incorporated and domiciled in England and Wales

The financial statements were authorised for issue by the directors on 10 May 2011

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU). The financial statements have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

(b) Basis of preparation

The Company has prepared the financial statements on a going concern basis, although the Company relies on support from its parent, Ageas (UK) Limited.

The Company presents its statement of financial position in order of liquidity in accordance with IAS 1 Presentation of Financial Statements. For each asset and liability line item in the statement of financial position that details amounts expected to be recovered or settled within twelve months, or more than twelve months after the statement of financial position date, a classification at the statement of financial position date is included within the notes. The disclosures in the notes for these classifications are distinguished as follows:

- amounts expected to be recovered in less than one year are referred to as current,
- amounts expected to be recovered in more than one year are referred to as non-current.

(i) Basis of measurement

The financial statements are prepared on the historical cost basis except for financial assets and financial liabilities, which the Directors have determined that the carrying values reasonably approximate the fair values, as they are mostly short term in nature.

(ii) Functional and presentation currency

The financial statements are presented in Pounds Sterling, which is the Company's functional currency.

TEXT2INSURE LIMITED

Significant accounting policies

(b) Basis of preparation (continued)

(iii) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These form the basis of judgements concerning carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Judgements made by the directors in the application of IFRS that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the next year, are discussed in notes 1 and 2.

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(c) Recognition and measurement of revenue

Commissions and traffic charges on successful sales of insurance policies sold using Text2insure technology are recognised only when it is certain that the fees will be received.

Commission income derived from other contracts with third parties is recognised as revenue when the Company is certain of receipt and may include adjustments in respect of prior periods.

Consulting fee revenue is recognised on a 'by contract' basis as work progresses based on services undertaken to date on a percentage of the total services to be undertaken.

TEXT2INSURE LIMITED

Significant accounting policies

(d) Turnover

Turnover represents traffic charges, commissions and consultancy fees receivable for services provided in the accounting period

(e) Finance income and costs

Finance costs comprise interest payable on borrowings and are expensed in the statement of comprehensive income in the period to which they relate. No finance costs are capitalised.

Interest income comprises interest on bank deposits.

(f) Income tax and deferred tax

Income tax in the statement of comprehensive income for the period comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case the related income tax is also recognised in equity.

Current tax is the expected tax payable or receivable by way of group relief on the taxable profit for the year, using tax rates enacted or substantially enacted at the accounting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are not discounted.

(g) Segment reporting

The company has not applied IFRS 8 Segment Reporting. In accordance with IFRS 8, the company is not required to present segmental information as the equity of the company is not publicly traded.

(h) Financial assets

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The Company classifies cash and short term deposits, trade and other receivables, including amounts due from related companies, as loans and receivables. Management has determined that their carrying amounts reasonably approximate their fair values as they are mostly short term in nature or are repriced frequently.

Loans and receivables are recognised initially at fair value plus any attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

TEXT2INSURE LIMITED

Significant accounting policies

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

(j) Financial liabilities

Financial liabilities include payables to related parties and interest-bearing loans and borrowings, trade and other payables. Financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the year of the borrowings on an effective interest basis.

Management has determined that the carrying amounts of bank overdrafts and other payables reasonably approximate their fair values because these liabilities are mostly short term in nature or are repriced frequently. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

(k) Impairment

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the carrying value is reduced to the estimated recoverable amount by means of a charge to the statement of comprehensive income.

For assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each statement of financial position date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(m) Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the statement of comprehensive income.

TEXT2INSURE LIMITED

Notes to the financial statements

1 Accounting estimates and judgements

The most critical judgements and estimates made by the Company are those relating to the accounting treatment for development of systems and the timing of revenues. Provision estimates are reviewed regularly.

2 Risk management

Objectives and policies for mitigating business risk

The Company's primary business is the provision of systems to facilitate the distribution of general insurance policies using mobile phone and internet technology. As such it is exposed to credit, liquidity and operational risks.

Controls to mitigate credit, liquidity and operational risks are reviewed by the Directors on a regular basis. The Directors are responsible for monitoring changes in the risks faced by the Company and the effectiveness of the controls in place to mitigate the risks.

The Company takes advantage of the knowledge and expertise within its parent company to help it identify and manage the risks associated with its business, including credit risk, liquidity risk and operational risk. The directors believe the procedures and policies in place to manage risk are appropriate to the size and nature of the business.

1) Credit risk

The Company is exposed to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents and other receivables (including related party balances). The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Other receivables - Period overdue

	Note	2010	2010	2009	2009
		£	%	£	%
Within terms		519,064	83.5	185,235	88.8
0 - 1 month		29,883	4.8	21,685	10.4
2 months		54,464	8.8	1,599	0.8
over 2 months		18,280	2.9	-	0.0
Total	11	621,691	100.0	208,519	100.0

Since the Company trades only with recognised and creditworthy third parties, there is no requirement for collateral. There are no significant concentrations of credit risk within the Company.

TEXT2INSURE LIMITED

Notes to the financial statements

2 Risk management (continued)

ii) Liquidity risk

The Company is exposed to liquidity risks arising from daily calls on its cash resources. There is therefore a risk that cash will not be available to settle liabilities when due. The Company manages this risk by setting minimum limits on the proportion of maturing assets that will be available to settle these liabilities and also maintaining a minimum level of borrowing facilities.

Financial liabilities - Maturity profile

	Note	2010	2010	2009	2009
Payment period		£	%	£	%
0 - 1 Month		468,574	100.0	327,975	100.0
Total	14, 15	<u>468,574</u>	<u>100.0</u>	<u>327,975</u>	<u>100.0</u>

iii) Operational risk

Operational risk arises from inadequate or failed internal processes, people and systems, or from external events. It is diverse in nature and permeates all business activities but remains a distinct form of risk. Operational risk includes for example, information technology, people, strategy, business continuity, regulatory, legal and financial crime.

The identification, assessment and evaluation, management, monitoring and reporting of risks rest with business managers of the different areas. Risks are identified, assessed and scored, the risk committee on a regular basis reviews the risks and for those falling outside the Company's risk appetite monitors the remedial action to ensure compliance with the Company's risk appetite.

iv) Capital management

Aims of capital management policy

The Company has established standards for the efficient management of capital, to meet the needs of the business and return on capital requirements of shareholders. This includes the capital required to support the risk appetite identified in the Company's Risk Policies together with a margin for safety.

Definitions of capital management (and supporting terms)

Capital Management is the collection of processes and activities undertaken to ensure that sufficient capital is maintained to ensure the organisation's ability to meet its liabilities and ultimately ensure its survival, particularly in case of losses arising from adverse events.

Capital Management includes the assessment of capital required to support the Company's plans and objectives, the structure of its shareholders' funds, arrangements to secure capital, and the ongoing monitoring of capital against business requirements.

TEXT2INSURE LIMITED

Notes to the financial statements

2 Risk management (continued)

Approach to capital management

The Company contributes to the overall Ageas UK Strategic Plan which is reviewed and revised each year and then formally approved in the fourth quarter of each year by the parent company board

The UK Strategic Plan includes the assessment of the capital required to support the business objectives (i.e. growth and profit targets) and the appropriateness of the supporting capital structure. The capital requirement and structure will take into account the required rate of return on capital employed and the required dividend

Sensitivity to key business drivers	£	£
	Interest rates decrease 1%	Expenses increase 10%
Impacted 2010		
Impact on Profit before tax	1,487	(113,816)
Impact on Net assets	1,071	(81,947)
Impacted 2009		
Impact on Profit before tax	4,431	(95,152)
Impact on Net assets	3,190	(68,509)

The impact of the changes in key business drivers is each assumed to be a discrete change. All other factors will be unchanged

Some of these changes cannot be guaranteed to have a linear effect and as a whole range of other factors will impact the results they cannot be guaranteed to predict the result detailed. In addition the risk management that the Company operates will ensure that corrective action is implemented to mitigate or reverse the changes

Interest rates decrease by 1.0%

The company will be exposed to the impact of interest rate changes on its financial assets and liabilities. There would be a reduction in income on short-term cash balances and a reduction in the interest on the loan due to the parent company

Expenses increase by 10.0%

If the two areas of expenses, cost of sales and administrative expenses were to increase by 10.0%, there would be a reduction in profit as detailed above

TEXT2INSURE LIMITED

Notes to the financial statements

3 Turnover

The total turnover is derived from its principal activity wholly undertaken in the United Kingdom. The accounting policy in relation to revenue from the Company's activities is disclosed in note (d).

4 Cost of sales

	2010 £	2009 £
External SMS charges	26,792	77,332
Intra-group SMS charges	12,862	3,989
Intra-group medical screening fees	15,178	2,143
Total cost of sales	54,832	83,464

5 Administrative expenses

	2010 £	2009 £
Depreciation		
- Computer Equipment	2,639	1,906
Personnel expenses		
- Wages and salaries	385,193	376,495
- Compulsory social security contributions	48,882	37,063
- Contributions to defined contributions schemes	2,516	2,327
Establishment expenses	15,285	10,349
Goods and services	18,392	20,821
Professional fees	14,194	10,442
IT costs	357,107	234,356
System development	167,988	116,397
Other costs	71,130	57,895
Total administrative expenses	1,083,326	868,051

Professional fees includes auditors' remuneration of £4,680 (2009: £5,284) for the audit of the company's annual financial statement and £9,514 from other providers (2009: £5,185).

The total number of persons employed by the Company (including executive directors) at the year end was 3 (2009: 3).

TEXT2INSURE LIMITED

Notes to the financial statements

6 Finance cost

	2010 £	2009 £
Interest payable to group undertakings	<u>3,718</u>	<u>11,665</u>

7 Interest income

	2010 £	2009 £
Bank interest receivable	<u>360</u>	<u>1,634</u>

8 Income taxes

Recognised in the statement of comprehensive income

	2010 £	2009 £
Current tax expense		
Current year – operations	-	-
Adjustments for prior years	<u>-</u>	<u>(6,607)</u>
	<u>-</u>	<u>(6,607)</u>

Reconciliation of effective tax rate

The tax assessed in the year is lower (2009 lower) than the standard rate of corporation tax in the United Kingdom of 28% (2009 28%)

The differences are explained below

	2010 £	2009 £
Profit before tax	<u>272,823</u>	<u>264,333</u>
Income tax using the domestic corporation tax rate of 28% (2009 28%)	<u>76,390</u>	<u>74,013</u>
Expenses not deductible for tax purposes	597	516
Tax losses utilised	<u>(77,672)</u>	<u>(74,793)</u>
	(685)	(264)
Capital allowances in the year in excess of depreciation	<u>685</u>	<u>264</u>
	<u>0</u>	<u>0</u>

9 Current tax liabilities

There is no current tax liability for the year or the period ended 31 December 2010 (2009 £nil)

TEXT2INSURE LIMITED

Notes to the financial statements

10 Tangible fixed assets

	Office equipment £
Cost	
Balance as at 31 December 2009	6,255
Additions	2,938
Disposals	(2 199)
Balance as at 31 December 2010	<u>6,994</u>
Depreciation and impairment losses	
Balance as at 31 December 2009	3,391
Depreciation charge for the period	2,638
Disposals	(2 199)
Balance as at 31 December 2010	<u>3,830</u>
Carrying amount	
At 31 December 2009	<u>2,864</u>
At 31 December 2010	<u>3,164</u>

11 Receivables

	2010 £	2009 £
Amounts falling due within one year		
Trade debtors	121,156	58,165
Amounts owed by Group companies	448,967	123,226
Other receivables and prepayments	51,568	27 128
Total receivables	<u>621,691</u>	<u>208,519</u>

Amounts owed by Group companies are unsecured, interest-free and repayable 30 days after the invoice date

12 Cash and cash equivalents

	2010 £	2009 £
Bank and cash balances	-	50
Cash and cash equivalents in the statement of cash flows	<u>-</u>	<u>50</u>

TEXT2INSURE LIMITED

Notes to the financial statements

13 Share capital

There have been no movements in share capital in 2010

	2010 £	2009 £
Authorised and issued ordinary shares of £1 each - fully paid		
A Shares	390	390
B Shares	100	100
C Shares	510	510
	<u>1,000</u>	<u>1,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. However in special circumstances the 'C' ordinary shareholders are entitled to exercise, as a class, 10 votes per share. With regards to the Company's residual assets, the share holders are refunded their share issue price and then the shares all rank pari passu.

14 Loans and borrowings

This note provides information about the contractual terms of the Company's loans and borrowings.

The balance represents the unsecured loan from the holding company of £247,041 (2009: £132,935) and interest due on the loan. The loan is repayable on demand in cash. The effective interest rate as at 31 December 2009 was 2.5%. The effective interest rate as at 31 December 2010 was 2.5%.

	2010 £	2009 £
Current liabilities		
Bank overdraft	<u>13,881</u>	<u>-</u>
Non-current liabilities		
Due to parent company	<u>247,041</u>	<u>132,935</u>
Total loan borrowing	<u>260,922</u>	<u>132,935</u>

This amount includes £3,718 interest payable on the loan (2009: £11,665).

15 Other payables

Amounts falling due within one year

	2010 £	2009 £
Trade creditors	22,883	22,883
Other payables and accrued expenses	171,195	153,194
VAT and other taxes payable	<u>13,574</u>	<u>18,963</u>
Total other payables	<u>207,652</u>	<u>195,040</u>

Amounts due to group undertakings are unsecured, interest-free and repayable on demand in cash.

TEXT2INSURE LIMITED

Notes to the financial statements

16 Pension scheme

	2010 £	2009 £
Contributions to defined contribution plans	<u>2,516</u>	<u>2,327</u>

The Company operates a defined contribution scheme called Ageas Insurance Ltd Group Pension scheme (formerly Fortis Insurance Ltd Group Pension scheme). The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost in respect of members of this scheme represents the contribution payable by the Company to the scheme.

17 Capital commitments

The Company had no capital commitments at the end of the year, either authorised or contracted for.

18 Related party transactions

The Company has a related party relationship with its key management personnel who are all Directors of the Company.

Transactions with Directors

The Directors' compensations are as follows:

	2010 £	2009 £
Total Emoluments paid by the Company	<u>347,117</u>	<u>345,675</u>

In the ordinary course of business the Company carries out transactions with related parties as defined in IAS 24, Related Party disclosures.

Material transactions are set out below:

	2010 Statement of Comprehensive Income £	2010 Statement of Financial Position £	2009 Statement of Comprehensive Income £	2009 Statement of Financial Position £
Immediate parent and ultimate holding company transactions and liability held in the balance sheet	8,694	(247,041)	(27,065)	(130,152)
Sister Company Transactions and Assets held in the balance sheet	1,214,084	350,124	1,047,976	98,659
	<u>1,222,778</u>	<u>103,083</u>	<u>1,020,911</u>	<u>(31,493)</u>

19 Parent company

The Company's immediate parent is Ageas (UK) Limited (formerly Fortis (UK) Limited), a company registered in England.

The Company's results are consolidated into the accounts of Ageas Insurance International N.V. (formerly Fortis Insurance International N.V.) a Company incorporated in the Netherlands.

The joint ultimate holding companies of the Company are Ageas N.V. (formerly Fortis N.V.) incorporated in the Netherlands, and Ageas SA/NV (formerly Fortis SA/NV), incorporated in Belgium.

Copies of the above accounts can be obtained from the Company Secretary, Text2Insure Limited, Ageas House, Tollgate, Eastleigh, Hampshire, SO53 3YA.

20 Events after the balance sheet date

There were no material adjusting or non-adjusting events after the accounting date.

TEXT2INSURE LIMITED

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with IFRS as adopted by the EU 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 estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRS as adopted by the EU, 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

TEXT2INSURE LIMITED

Independent Auditor's Report to the Members of Text2insure Limited

We have audited the financial statements of Text2insure Limited for the year ended 31 December 2010 set out on pages 4 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 20, 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 (APB'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 website at www.frc.org.uk/apb/scope/private.cfm.

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 IFRSs as adopted by the EU, 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.

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
- 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.



Philip Smart (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

10 May 2011