

**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2007
for
Montpelier Pension Administration
Services Limited**



**Montpelier Pension Administration
Services Limited**

**Contents of the Financial Statements
for the Year Ended 31 December 2007**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Financial Statements	9

**Montpelier Pension Administration
Services Limited**

**Company Information
for the Year Ended 31 December 2007**

DIRECTORS.

A Smith
Mrs S G Vandervell

SECRETARY:

Mrs K S Walsh

REGISTERED OFFICE:

Montpelier House
62 - 66 Deansgate
Manchester
M3 2EN

REGISTERED NUMBER:

05713077 (England and Wales)

AUDITORS:

The Wilson Henry LLP
Registered Auditor
145 Edge Lane
Liverpool
Merseyside
L7 2PF

**Montpelier Pension Administration
Services Limited**

**Report of the Directors
for the Year Ended 31 December 2007**

The directors present their report with the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of pension and administration services

DIRECTORS

A Smith has held office during the whole of the period from 1 January 2007 to the date of this report

Other changes in directors holding office are as follows

Mrs S G Vandervell - appointed 29 September 2007

STATEMENT OF 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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, The Wilson Henry LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



A Smith - Director

30 October 2008

**Report of the Independent Auditors to the Shareholders of
Montpelier Pension Administration
Services Limited**

We have audited the financial statements of Montpelier Pension Administration Services Limited for the year ended 31 December 2007 on pages five to eleven. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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 Report of the Directors 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 Report of the Directors 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.

**Report of the Independent Auditors to the Shareholders of
Montpelier Pension Administration
Services Limited**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

The Wilson Henry LLP
Registered Auditor
145 Edge Lane
Liverpool
Merseyside
L7 2PF

Wilson Henry LLP

Date *30th October 2008*

**Montpelier Pension Administration
Services Limited**

**Profit and Loss Account
for the Year Ended 31 December 2007**

		Year Ended 31 12 07 £	Period 18 2 06 to 31 12 06 £
	Notes		
TURNOVER		169,323	193,687
Cost of sales		(21,896)	(9,040)
GROSS PROFIT		191,219	202,727
Administrative expenses		164,169	200,940
OPERATING PROFIT	2	27,050	1,787
Interest receivable and similar income		-	9
		27,050	1,796
Interest payable and similar charges	3	-	4
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27,050	1,792
Tax on profit on ordinary activities	4	9,000	500
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		18,050	1,292

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous period

The notes form part of these financial statements

**Montpelier Pension Administration
Services Limited**

**Balance Sheet
31 December 2007**

	Notes	31 12 07 £	31 12 06 £
CURRENT ASSETS			
Stocks	5	30,936	9,040
Debtors	6	76,716	108,290
Cash at bank		12,428	8,758
		<u>120,080</u>	<u>126,088</u>
CREDITORS			
Amounts falling due within one year	7	98,738	124,696
		<u>21,342</u>	<u>1,392</u>
NET CURRENT ASSETS			
		<u>21,342</u>	<u>1,392</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,342</u>	<u>1,392</u>
CAPITAL AND RESERVES			
Called up share capital	8	2,000	100
Profit and loss account	9	19,342	1,292
		<u>21,342</u>	<u>1,392</u>
SHAREHOLDERS' FUNDS	12	<u>21,342</u>	<u>1,392</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the Board of Directors on 30 October 2008 and were signed on its behalf by



A Smith - Director

The notes form part of these financial statements

**Montpelier Pension Administration
Services Limited**

**Cash Flow Statement
for the Year Ended 31 December 2007**

		Year Ended 31 12 07 £	Period 18 2 06 to 31 12 06 £
Net cash inflow/(outflow) from operating activities	Notes 1	1,770	(31,889)
Returns on investments and servicing of finance	2	-	5
		<u>1,770</u>	<u>(31,884)</u>
Financing	2	1,900	40,642
Increase in cash in the period		<u>3,670</u>	<u>8,758</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Increase in cash in the period		<u>3,670</u>	<u>8,758</u>
Change in net funds resulting from cash flows		<u>3,670</u>	<u>8,758</u>
Movement in net funds in the period		<u>3,670</u>	<u>8,758</u>
Net funds at 1 January		<u>8,758</u>	<u>-</u>
Net funds at 31 December		<u>12,428</u>	<u>8,758</u>

The notes form part of these financial statements

**Montpelier Pension Administration
Services Limited**

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2007**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	Year Ended 31 12 07 £	Period 18 2 06 to 31 12 06 £
Operating profit	27,050	1,787
Increase in stocks	(21,896)	(9,040)
Decrease/(Increase) in debtors	31,574	(108,289)
(Decrease)/Increase in creditors	(34,958)	83,653
Net cash inflow/(outflow) from operating activities	<u>1,770</u>	<u>(31,889)</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year Ended 31 12 07 £	Period 18 2 06 to 31 12 06 £
Returns on investments and servicing of finance		
Interest received	-	9
Interest paid	-	(4)
Net cash inflow for returns on investments and servicing of finance	<u>-</u>	<u>5</u>
 Financing		
Share issue	1,900	100
Loans from fellow subsidiaries	-	40,542
Net cash inflow from financing	<u>1,900</u>	<u>40,642</u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 07 £	Cash flow £	At 31 12 07 £
Net cash			
Cash at bank	8,758	3,670	12,428
	<u>8,758</u>	<u>3,670</u>	<u>12,428</u>
 Total	<u>8,758</u>	<u>3,670</u>	<u>12,428</u>

The notes form part of these financial statements

**Montpelier Pension Administration
Services Limited**

**Notes to the Financial Statements
for the Year Ended 31 December 2007**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents fees earned and net invoiced provision of services

Work in Progress

Work in progress is stated at the expected valuation of fees to be received based on the investment plan issued to the client. At this point the valuation is based upon expectations of client agreement in accordance with UITF40 after adjustment for anticipated costs of completion

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

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 that have been enacted by the balance sheet date

Deferred tax is measured on a non-discounted basis

2 OPERATING PROFIT

The operating profit is stated after charging

	Year Ended 31 12 07 £	Period 18 2 06 to 31 12 06 £
Auditors' remuneration	2,950	2,000
	<u> </u>	<u> </u>
Directors' emoluments	-	110,399
	<u> </u>	<u> </u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 12 07 £	Period 18 2 06 to 31 12 06 £
Bank interest	-	4
	<u> </u>	<u> </u>

**Montpelier Pension Administration
Services Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2007**

4 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	Year Ended 31 12 07 £	Period 18 2 06 to 31 12 06 £
Current tax		
UK corporation tax	9,000	500
	<u>9,000</u>	<u>500</u>
Tax on profit on ordinary activities	<u>9,000</u>	<u>500</u>

5 STOCKS

	31 12 07 £	31 12 06 £
Work-in-progress	30,936	9,040
	<u>30,936</u>	<u>9,040</u>

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 07 £	31 12 06 £
Trade debtors	28,826	101,289
Amounts owed by group undertakings	31,633	1
Other debtors	16,257	7,000
	<u>76,716</u>	<u>108,290</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 07 £	31 12 06 £
Trade creditors	-	103
Amounts owed to group undertakings	52,761	40,543
Tax	9,500	500
Social security and other taxes	19,527	32,747
Accrued expenses	16,950	50,803
	<u>98,738</u>	<u>124,696</u>

8 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	31 12 07 £	31 12 06 £
2,000	Ordinary	£1	2,000	2,000
			<u>2,000</u>	<u>2,000</u>
Allotted, issued and fully paid Number	Class	Nominal value	31 12 07 £	31 12 06 £
			<u>2,000</u>	<u>2,000</u>

**Montpelier Pension Administration
Services Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2007**

9 RESERVES

	Profit and loss account £
At 1 January 2007	1,292
Profit for the year	18,050
	<hr/>
At 31 December 2007	19,342
	<hr/>

10 RELATED PARTY DISCLOSURES

The company has the following related party transactions as required to be disclosed under FRS 8

Amounts due to/from related parties:

Montpelier Professional Ltd (group undertaking) - £1 due from (2006 £1)

Montpelier Capital Management Ltd (group undertaking) - £31,632 due from (2006 Nil)

Montpelier Financial Services (Manchester) Ltd (group undertaking) - £52,761 due to (2006 £40,453)

Expenses incurred through group undertaking:

Montpelier Financial Services (Manchester) Ltd - £48,665 (2006 £51,524)

In the opinion of the directors there are no other material transactions with related parties which require disclosure under FRS 8

11 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Montpelier Group (Financial Services) LLC, a company registered in the USA, by virtue of a controlling interest in the immediate parent Montpelier Professional Limited

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 07 £	31 12 06 £
Profit for the financial year	18,050	1,292
Issued share capital	1,900	100
	<hr/>	<hr/>
Net addition to shareholders' funds	19,950	1,392
Opening shareholders' funds	1,392	-
	<hr/>	<hr/>
Closing shareholders' funds	21,342	1,392
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