

# **HS 428 Limited**

Registered No: 6108332

## **Report and Financial Statements**

For the year ended 31 December 2008

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19/08/2009

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COMPANIES HOUSE

## HS 428 Limited

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Registered No: 6108332

### **Directors**

Mr S Pender

Mr V Powell

Mr R Dixon

(Resigned 30.09.08)

(Appointed 03.10.08)

### **Secretary**

Mr G Johnston

### **Auditors**

KPMG Audit Plc

Registered Auditors

St James' Square

Manchester

M2 6DS

### **Registered Office**

Paymentshield House

Southport Business Park

Wight Moss Way

Southport

PR8 4HQ

## Directors' Report

The directors present their report with the financial statements of the company for the year ended 31 December 2008.

### Principal activity

The principal activity of the company in the year under review was that of the business insurance consultancy.

### Business Review

The results for the year and financial position of the company are as shown in the annexed financial statements.

### Principal risks and uncertainties

#### *Going Concern*

Liquidity, and the ability to source appropriate funding, are the key risks facing the Group.

Liquidity is the risk that the Group will be unable to meet current and future financial commitments as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk is managed by operating a dual strategy approach which seeks to identify and minimise the likelihood of unforeseen demands for settlement of liabilities, whilst identifying and maintaining immediate or near term sources of additional cash should they prove necessary.

The directors have considered a range of forecasts under various stress scenarios and believe that the Group has adequate cash resources for the next 12 months and the ability to secure further funds if required.

As regards to sources of appropriate funding the Group is funded predominantly by long term financing from Insurer loans and other investors together with loans from banks, with the majority of funding extending into 2011.

The outlook for the company's business continues to look positive.

### Directors

The directors during the year under review were:

Mr S Pender	
Mr V Powell	(resigned 30.09.08)
Mr R Dixon	(appointed 03.10.08)

### Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the Directors' Report are listed above. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

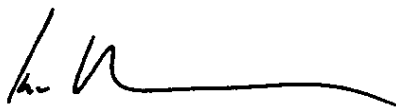
- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

## Directors' Report

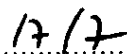
### Auditors

KPMG Audit Plc were appointed auditors of the company. A resolution to reappoint KPMG Audit Plc as auditors will be put to the members at the Annual General Meeting.

By order of the board



Ian Patrick  
Director



2009

## **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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.

# **Independent auditor's report**

to the members of HS 428 Limited

KPMG Audit Plc

## **Independent auditors' report to the members of HS428 Limited**

We have audited the financial statements of HS428 Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes. 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 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

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

# Independent auditor's report

to the members of HS 428 Limited (continued)

## Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs for the year ended 31 December 2008 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 Directors' Report is consistent with the financial statements.

*KPMG Audit Plc*

KPMG Audit Plc

Chartered Accountants

Registered Auditor

St James' Square

Manchester

M2 6DS

.....17 July 2009

## Profit and Loss Account

For the year ended 31 December 2008

		<i>Year Ended December 2008</i>	<i>8 month Period Ended December 2007</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
<b>Continuing operations:</b>			
<b>Turnover</b>	2	380,066	180,332
Administrative expenses		-	(5,000)
<b>Operating profit</b>	3	380,066	175,332
Interest receivable and similar income		24,151	-
<b>Profit on ordinary activities before taxation</b>		404,217	175,332
Tax on profit on ordinary activities	4	-	(6,712)
<b>Profit for financial year after taxation</b>		404,217	168,620

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalent.

There were no other gains or losses other than those shown above.

The notes on pages 9 to 12 form part of the financial statements.



## Balance Sheet

As at 31 December 2008

	Notes	2008 £	2007 £
<b>Current assets</b>			
Debtors	5	572,837	175,332
Cash at bank and in hand		2	2
		<u>572,839</u>	<u>175,334</u>
<b>Creditors: amounts falling due within one year</b>	6	-	(6,712)
<b>Net current assets</b>		<u>572,839</u>	<u>168,622</u>
		<u>572,839</u>	<u>168,622</u>
<b>Capital and reserves</b>			
Called up share capital	7	2	2
Profit and loss account	8	572,837	168,620
Shareholders' funds	8	<u>572,839</u>	<u>168,622</u>

The notes on pages 9 to 12 form part of the financial statements.

Approved on behalf of the Board



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Ian Patrick  
Director

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17/12 2009

## Notes to the financial statements

### 1. Accounting policies

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting.

The Company is exempt by virtue of s228A of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The smallest group and largest group into which HS 428 Limited has been consolidated is Paymentsshield Group Holdings Limited.

The directors consider that the company will continue to be able to trade for the foreseeable future by meeting liabilities as they fall due for payment and accordingly, the financial statements have been prepared on a going concern basis. Whilst economic and market events have deteriorated significantly since the year end, the Company continues to meet all its debts as they fall due for payment. However, unforeseen events could result in deterioration in future estimated cash flows. Although the Company does place reliance on other group entities for financial support, at the date of approval of these financial statements the directors have no reason to believe that this support will not continue.

The Directors do not consider that economic conditions will deteriorate to a point at which the Company cannot meet its liabilities and believe it remains appropriate to prepare the financial statements on a going concern basis

#### *Cash flow statement*

No cash flow statement has been prepared, as exemption has been taken under Financial Reporting Standard 1 (Revised 1996) 'Cash flow Statements' due to more than 90% of the voting rights being controlled by Paymentsshield Group Holdings Limited and whose consolidated financial statements are publicly available.

#### *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 have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

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

### 2. Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

### 3. Operating profit

The operating profit is stated after charging

	2008	2007
	£	£
Auditors' remuneration	-	2,000

2008: has been borne by the parent company, Paymentsshield Ltd

## Notes to the financial statements

### 4. Taxation

#### *(a) Analysis of the tax charge*

The tax charge on the profit on ordinary activities is made up as follows:

	2008 £	2007 £
Current tax:		
UK Corporation tax	-	6,712
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing difference	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	6,712
	<hr/> <hr/>	<hr/> <hr/>

UK corporation tax charge at 28.5% (2007 – 20%)

#### *(b) Factors affecting the tax charge*

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	404,217	175,332
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007 - 20%)	115,191	35,066
Effects of:		
Utilisation of tax losses	(115,191)	(28,354)
	<hr/>	<hr/>
Current tax charge	-	6,712
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the financial statements

### 5. Debtors

	2008 £	2007 £
Amounts due from group company	572,837	175,332
	<u>572,837</u>	<u>175,332</u>

### 6. Creditors: amounts falling due within one year

	2008 £	2007 £
Corporation Tax	-	6,712
	<u>-</u>	<u>6,712</u>

### 7. Called up share capital

*Authorised:*

	December 2008 £	December 2007 £
Ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

*Allotted and issued:*

	December 2008 £	December 2007 £
Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

### 8. Reconciliation of movements in shareholders' funds and movements on reserves

	Share capital £	Profit & loss account £	Total £
At 1 January 2008	2	168,620	168,622
Retained profit for the year		404,217	404,217
At 31 December 2008	<u>2</u>	<u>572,837</u>	<u>572,839</u>

## **Notes to the financial statements**

### **9. Related party disclosures**

During the year the company received commission from Paymentsshield Ltd amounting to £380,066 (2007: £180,332) and was owed £572,837 (2007:£175,332).

### **10. Ultimate controlling party**

Following the purchase of the majority shareholding in Paymentsshield Group Holdings Limited on 28 June 2009, the largest group into which HS 428 Limited is consolidated at the date of signing the financial statements is the Towergate Partnership Limited, Towergate House, Eclipse Park, Sittingbourne Road, Maidstone, Kent, ME14 3EN.