

TIS Holdings Limited
ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS

Year ended 30 June 2011

THURSDAY



L12AUC3

LD4

09/02/2012

#46

COMPANIES HOUSE

Company Registration No. 6205091

TIS Holdings Limited

COMPANY INFORMATION

DIRECTORS

M Biddulph
M Burt
A Iversen
K Spiteri

REGISTERED OFFICE

TIS House
Spring Villa Park
Edgware
Middlesex HA8 7EG

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

BUSINESS ADDRESS

TIS House
Spring Villa Park
Edgware
Middlesex HA8 7EG

BANKERS

Bank of Scotland
London Chief Office
PO Box 54873
London SW1Y 5WX

Commonwealth Bank of Australia
Senator House
85 Queen Victoria Street
London EC4V 4HA

Barclays Bank plc
Head Office Branch
One Churchill Place
London E14 5HP

TIS Holdings Limited

CONTENTS

	Page
Directors' report	3-5
Directors' responsibilities	6
Independent auditor's report	7
Consolidated profit and loss account	8
Consolidated statement of total recognised gains and losses	9
Consolidated balance sheet	10
Company balance sheet	11
Consolidated cash flow statement	12
Accounting policies	13-14
Notes to the financial statements	15-26

TIS Holdings Limited

DIRECTORS' REPORT

The directors submit their report and the group financial statements of TIS Holdings Limited for the year ended 30 June 2011

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a holding company

The principal activities of the Group during the year was that of trading in endowment policies, other financial products and ancillary services, the provision of management consultancy and valuation services and acting as an agent for trading in endowment policies and similar intermediary actions including the promotion and marketing of alternative investments

In November 2010, a subsidiary Absolute Assigned Policies Limited acquired the assets and trade of Protected Distribution Limited, an incorporated business. The fair value of the assets and liabilities acquired amounted to £681,197. The acquisition was made for total consideration of £6,518,256 (of which £6,498,256 was deferred), resulting in goodwill on acquisition of £7,199,453 including the promotion and marketing of alternative investments. The principal activity of Protected Distribution Limited trading as PDL International is the marketing and promotion of alternative investments via its global network.

The group has undergone significant restructuring in the year in terms of both corporate structure, i.e. acquisition, and internal infrastructure, i.e. operations, resulting in a more efficient and streamlined business without diluting any of the groups capabilities in each of its skill sets.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The economic environment continues to be challenging, however, the Board believes that the business performance over the period to be in line with expectation and satisfactory.

The directors believe that the restructured business is well placed to take advantage of future opportunities in the wider alternative investment space. The loss for the financial year is due to the ongoing transition into new products and markets together with the entry into the institutional sector and therefore the directors believe that this position will improve in the near future.

Given the straightforward nature of the business the directors do not believe that analysis by KPIs is necessary to understand the development, performance or position of the group.

The consolidated profit and loss account for the year is set out on page 8.

GOING CONCERN

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review above. The financial position of the group, its cashflows, liquidity position and borrowing facilities remains stable with continued cash generation year-on-year. Facilities B and C remain in place with further voluntary repayments scheduled in the forthcoming year. As with the prior year, the group continues to make repayments ahead of the scheduled repayments set out in the agreement. The consolidated balance sheet presents net liabilities due to compounding loan note interest, however, as described in note 14, payment will only be made in accordance with the conditions of the loan notes and therefore does not affect the liquidity of the business for the next 12 months.

For this reason the going concern basis in preparing the financial statements is adopted.

DIVIDENDS

The directors do not recommend the payment of a dividend (2010: £Nil).

TIS Holdings Limited

DIRECTORS' REPORT

DIRECTORS

The following directors have held office since 1 July 2010

M Burt	
A Iversen	
K Spiteri	(Appointed 11 November 2010)
M Biddulph	
C Radford	(Resigned 11 November 2010)

CREDITOR PAYMENT POLICY

The group's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that the suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the company's contractual and other legal obligations

On average, trade creditors at the year end represented 3 64 (2010 2 91) days of purchases

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the group made charitable donations of £6 (2010 £421) to major charitable organisations. No political donations were made.

RISK

Interest rate risk

The directors monitor interest rates on an ongoing basis to ensure that any cash held is utilised to its full potential. The group mitigates its exposure to movements in interest rates by hedging its facilities.

Foreign exchange risk

The group has minimal foreign currency transactions and therefore the directors deem the risk of foreign exchange movements to be immaterial. As a result, the group does not hedge against foreign exchange movements.

Liquidity

The directors monitor the liquidity of the group on a daily basis. There are no credit terms offered to customers. As a result, the cash balance is maintained at a high level and the liquidity risk is deemed by the directors to be low.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

The company currently has in place, and has done for the year ended 30 June 2011, Directors and Officers liability insurance for the benefit of all directors of the company.

TIS Holdings Limited

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDINGS

The company had the following substantial shareholdings as at 30 June 2011

	Number of ordinary 'A' shares of £0.01	Number of ordinary 'B' shares of £1	Percentage of issued share capital
Promethean Investments Fund LP	42,840	3,360	55%
L Portnoi	10,920	-	13%
D Arnold	10,080	-	12%
A Iversen	-	10,080	12%
The Executors of N Bruce Copp	3,360	-	4%
TIS Group Limited	-	3,360	4%

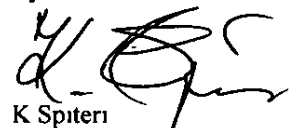
STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that 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 it has been communicated to the auditor.

AUDITOR

A resolution to re-appoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditor will be put to members at the Annual General Meeting.

By order of the board



K Spiteri
Director

28 October 2011

TIS Holdings Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF 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 period. 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 group and the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements,
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group 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 group and company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TIS Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIS HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 8 to 26. 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 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 auditors

As more fully explained in the Directors' Responsibilities Statement, 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

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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2011 and of the group's loss 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.

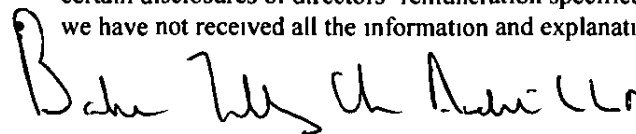
Opinion on other matters prescribed by the Companies Act 2006

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 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.



HOWARD FREEDMAN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London EC4A 4AB

28 October 2011

TIS Holdings Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2011

		Notes	2011 £	2010 £
TURNOVER	Continuing Operations - existing	1	112,257,974	32,196,858
	- acquisitions	1	1,437,175	-
			<u>113,695,149</u>	<u>32,196,858</u>
Cost of sales			(106,247,490)	(26,490,070)
GROSS PROFIT			<u>7,447,659</u>	<u>5,706,788</u>
Net operating expenses		2	(5,744,783)	(5,823,916)
OPERATING PROFIT/(LOSS)	Continuing Operations - existing		1,441,279	(117,128)
	- acquisitions		261,597	-
OPERATING PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS			<u>1,702,876</u>	<u>(117,128)</u>
Exceptional items		3	(722,586)	-
OPERATING PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS			<u>980,290</u>	<u>(117,128)</u>
Interest receivable			22,010	5,967
Interest payable and similar charges		4	(5,886,388)	(4,709,196)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		5	<u>(4,884,088)</u>	<u>(4,820,357)</u>
Taxation		7	(450,596)	376,975
LOSS FOR THE YEAR		20	<u>(5,334,684)</u>	<u>(4,443,382)</u>

The operating profit / (loss) for the year arises from the group's continuing operations

TIS Holdings Limited


CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 30 June 2011


	2011	2010
	£	£
Loss for the financial year	(5,334,684)	(4,443,382)
Unrealised surplus on trade investments	5,446	15,367
Total recognised gains and losses relating to the year	<u>(5,329,238)</u>	<u>(4,428,015)</u>

TIS Holdings Limited
CONSOLIDATED BALANCE SHEET
30 June 2011

	<i>Notes</i>	2011 £	2010 £
FIXED ASSETS			
Intangible assets	8	44,288,595	40,788,155
Tangible assets	9	12,498	29,784
Investments	10	158,458	152,912
		<u>44,459,551</u>	<u>40,970,851</u>
CURRENT ASSETS			
Deferred tax	11	1,335,050	1,436,985
Debtors	12	914,619	1,217,336
Cash at bank and in hand		4,646,054	3,106,966
		<u>6,895,723</u>	<u>5,761,287</u>
CREDITORS: Amounts falling due within one year	13	(2,673,835)	(2,550,031)
NET CURRENT ASSETS		<u>4,221,888</u>	<u>3,211,256</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>48,681,439</u>	<u>44,182,107</u>
CREDITORS: Amounts falling due after more than one year	14	(54,487,924)	(44,659,354)
NET LIABILITIES		<u>(5,806,485)</u>	<u>(477,247)</u>
CAPITAL AND RESERVES			
Called up share capital	16	17,472	17,472
Share premium account	17	66,528	66,528
Revaluation reserve	18	(36,006)	(41,452)
Profit and loss account	19	(5,854,479)	(519,795)
SHAREHOLDERS' DEFICIT	20	<u>(5,806,485)</u>	<u>(477,247)</u>

Approved and authorised for issue by the board on 28 October 2011


 K. Spiteri

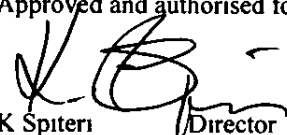

 Director

TIS Holdings Limited
COMPANY BALANCE SHEET
30 June 2011

Company Registration No. 6205091

	<i>Notes</i>	2011 £	2010 £
FIXED ASSETS			
Investments	10	252,920	252,920
		<u>252,920</u>	<u>252,920</u>
CURRENT ASSETS			
Debtors	12	181,605	46,804
Cash at bank and in hand		3,807	3,788
		<u>185,412</u>	<u>50,592</u>
CREDITORS: Amounts falling due within one year	13	(613,238)	(415,662)
NET CURRENT LIABILITIES		<u>(427,826)</u>	<u>(365,070)</u>
NET LIABILITIES		<u>(174,906)</u>	<u>(112,150)</u>
CAPITAL AND RESERVES			
Called up share capital	16	17,472	17,472
Share premium account	17	66,528	66,528
Profit and loss account	19	(258,906)	(196,150)
SHAREHOLDERS' DEFICIT	20	<u>(174,906)</u>	<u>(112,150)</u>

Approved and authorised for issue by the board on 28 October 2011


K Spiteri Director

TIS Holdings Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2011

	<i>Notes</i>	2011 £	2010 £
Cash inflow from operating activities	21a	2,324,135	3,446,331
Returns on investments and servicing of finance	21b	(627,641)	(692,623)
Taxation		(361,656)	(420,998)
Capital expenditure, financial investment and acquisitions	21b	704,250	(564)
CASH INFLOW BEFORE FINANCING		<u>2,039,088</u>	<u>2,332,146</u>
Financing	21b	(500,000)	(415,703)
INCREASE IN CASH IN THE YEAR		<u><u>1,539,088</u></u>	<u><u>1,916,443</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011 £	2010 £
Increase/(decrease) in cash in the year	1,539,088	1,916,443
Cash inflow from change in debt	500,000	183,137
Change in net debt resulting from cashflows	<u>2,039,088</u>	<u>2,099,580</u>
Interest rolled up on loans and novation of acquisition debt	(10,005,244)	(3,778,039)
MOVEMENT IN NET DEBT IN THE YEAR	<u>(7,966,156)</u>	<u>(1,678,459)</u>
NET DEBT AT 1 JULY 2010	(41,875,714)	(40,197,255)
NET DEBT AT 30 June 2011	<u><u>21c (49,841,870)</u></u>	<u><u>(41,875,714)</u></u>

TIS Holdings Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of trade investments and in accordance with applicable accounting standards

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of TIS Holdings Limited and all of its subsidiary undertakings for the year. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised as goodwill.

GOODWILL

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and written off evenly over 15 years as in the opinion of the directors this represents the period over which the goodwill is effective.

Goodwill being the excess of the cost of an acquisition over the fair value attributed to the net assets at acquisition is capitalised.

The useful economic life of the goodwill arising on each acquisition is determined at the time of the acquisition. The directors consider that it is appropriate to assign an indefinite life to the goodwill which arose on the acquisition of Absolute Assigned Policies Limited during 2003 in view of the strength of the company's reputation and by acting as a true market leader in its market. Both of these attributes are deemed to have indefinite durability, which has been determined based on the following factors: the nature of the business, the typical lifespans of the products, the extent to which the acquisition overcomes market entry barriers, and the expected future impact of competition on the business.

The goodwill is not being amortised through the profit and loss account, however, it is subject to annual impairment reviews in accordance with Financial Reporting Standard 11. Impairment of the goodwill is evaluated by comparing the present value of the expected future cash flows, excluding financing and tax, (the 'value in-use') to the carrying value of the underlying net assets and goodwill. If the net assets and goodwill were to exceed the value-in-use, an impairment would be deemed to have occurred and the resulting write-down in the goodwill would be charged to the profit and loss account immediately.

Financial Reporting Standard 10 requires that goodwill carried on the balance sheet should be amortised. In the case of the goodwill arising on the acquisition of Absolute Assigned Policies Limited, the directors consider it appropriate to depart from this requirement in order to comply with the overriding requirement for the accounts to show a true and fair view. If the goodwill was amortised over a period of 20 years (the maximum length of time permitted under FRS 10), profit before tax for the year ended 30 June 2011 would be £938 lower. In addition, intangible assets would be reduced by £7,504 with a corresponding reduction in reserves of £7,504. Under Financial Reporting Standard 10 the goodwill of the acquisition of Protected Distribution Limited has been amortised over a period of 15 years.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Plant and machinery	3 years
Fixtures, fittings and equipment	3 - 5 years

TIS Holdings Limited

ACCOUNTING POLICIES

DEFERRED TAXATION

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. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

INVESTMENTS

Long term investments are described as participating interests and are classified as fixed assets. Short term investments are classified as current assets.

Participating interests are stated at cost. Listed investments are valued at the mid-market value at the balance sheet date. Unlisted investments are stated at cost.

Provision is made for any impairment in the value of investments.

OPERATING LEASES

Where leasing agreements do not give rights approximating to ownership, they are defined as operating leases. The annual rentals are charged to profit and loss on a straight line basis over the lease term.

RETIREMENT BENEFITS

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

TURNOVER

Turnover represents the value, net of Value Added Tax, of goods sold and services provided to customers. Proceeds from the sale of endowment policies are included in the profit and loss account on completion.

GOING CONCERN BASIS

The financial statements have been prepared on a going concern basis. TIS Holdings Limited plans to grow the business primarily through the diversification of its product and client base in both the retail and institutional space whilst operating either more closely in existing markets or expanding into new territories as well as leveraging existing customer relationships.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 3. The financial position of the group, its cashflows, liquidity position and borrowing facilities remains stable with continued cash generation year-on-year. As with prior years, the group looks to make further voluntary repayments ahead of the scheduled repayments from its surplus cash reserves. The consolidated balance sheet presents net liabilities due to compounding loan note interest, however, as described in note 14, payment will only be made in accordance with the conditions of the loan notes and therefore does not affect the liquidity of the business for the next 12 months.

TIS Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The group's turnover and loss before taxation were all derived from its principal activities wholly undertaken in the United Kingdom

2	NET OPERATING EXPENSES	2011	2010
		£	£
	Administrative expenses	5,744,783	5,823,916
		<hr/>	<hr/>
3	EXCEPTIONAL ITEMS	2011	2010
		£	£
	Group restructuring costs	722,586	-
		<hr/>	<hr/>
4	INTEREST PAYABLE AND SIMILAR CHARGES	2011	2010
		£	£
	Bank loans	917,300	931,157
	Loan notes	4,969,088	3,778,039
		<hr/>	<hr/>
		5,886,388	4,709,196
		<hr/>	<hr/>
5	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2011	2010
		£	£
	Loss on ordinary activities before taxation is stated after crediting		
	Profit on disposal of fixed assets	(2,308)	(465)
	Depreciation and amounts written off tangible fixed assets		
	Charge for the period		
	Owned assets	29,249	39,141
	Operating leases – land and buildings	77,843	117,000
	Amortisation of goodwill	3,669,016	3,399,038
	Auditors' remuneration		
	Audit services		
	- Statutory audit of parent and consolidated financial statements	48,164	38,244
	Other services		
	- Other services relating to taxation	16,400	23,200
		<hr/>	<hr/>

TIS Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

6	EMPLOYEES	2011	2010
		No	No
	The average monthly number of persons (including directors) employed by the group during the year was		
	Office and management	19	34
		<u>£</u>	<u>£</u>
	Staff costs for the above persons		
	Wages and salaries	970,834	1,526,423
	Social security costs	131,330	140,606
	Other pension costs	(99)	349
		<u>1,102,065</u>	<u>1,667,378</u>
	DIRECTORS		
	In respect of the directors of TIS Holdings Limited		
	Emoluments	247,497	428,072
	Money purchase pension contributions	(99)	349
		<u>247,398</u>	<u>428,421</u>

No directors accrued retirement benefits under money purchase schemes in the year (2010 £Nil)

Directors' emoluments disclosed above include the following payments	Highest paid director	
	2011	2010
	£	£
Emoluments	184,126	255,145
	<u>184,126</u>	<u>255,145</u>

7	TAXATION	2011	2010
		£	£
	Current tax:		
	UK corporation tax on profits of the year	266,868	157,238
	Adjustments in respect of previous periods	81,794	20,855
	Total current tax	<u>348,662</u>	<u>178,093</u>
	Deferred tax		
	Origination and reversal of timing differences	101,934	(555,068)
	Total deferred tax	<u>101,934</u>	<u>(555,068)</u>
	Tax on profit on ordinary activities	<u>450,596</u>	<u>(376,975)</u>

TIS Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

7	TAXATION (continued)	2011 £	2010 £
	Factors affecting tax charge for year:		
	Profit on ordinary activities before tax	(4,884,088)	(4,820,357)
	Profit on ordinary activities multiplied by standard rate of corporation tax of 27.5% (2010 28%)	(1,343,191)	(1,349,700)
	Effects of		
	Expenses not deductible for tax purposes	983,662	953,208
	Transfer pricing adjustments	-	(1,234)
	Capital allowances in excess of depreciation	844	6,144
	Other tax adjustments	630,615	548,820
	Adjustment to previous periods	81,794	20,855
	Difference in tax rate	(5,062)	-
	Tax charge for the year	348,662	178,093

8	INTANGIBLE FIXED ASSETS	Purchased Goodwill £	Consolidation Goodwill £	Total Goodwill £
	Cost			
	1 July 2010	18,750	50,966,520	50,985,270
	Additions	7,199,453	-	7,199,453
	30 June 2011	7,218,203	50,966,520	58,184,723
	Amounts written off			
	1 July 2010	-	10,197,115	10,197,115
	Amortisation	299,977	3,399,036	3,699,013
	30 June 2011	299,977	13,596,151	13,896,128
	Net book value			
	30 June 2011	6,918,226	37,370,369	44,288,595
	30 June 2010	18,750	40,769,405	40,788,155

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units (CGUs) that are expected to benefit from that business combination

- The group tests goodwill for impairment if there are indications that goodwill may have been impaired
- The recoverable amounts of the CGUs are determined from the value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and allocated costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The rate used to discount the forecast cash flows is 9.7%. The growth rates are based on the Group's own forecast with nil growth forecasted over the forthcoming year. Changes in revenues and direct costs are based on past practice and expectations of future changes in the market.
- The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the board for the next three financial years and extrapolates cash flows for the following two years based on the estimated growth rates between 2012/14 running in parallel with the funds' policy maturity profile, and expected growth in Absolute Assigned Policies Limited through the trading name PDL International.
- On the assumption that there is nil growth in 2012/13, goodwill would not be impaired.

TIS Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

8 INTANGIBLE FIXED ASSETS (continued)

Acquisition

In November 2010 the company acquired the assets and trade of Protected Distribution Limited, an incorporated business. Goodwill arising on the acquisition of the assets and trade of Protected Distribution Limited is being amortised over the director's estimate of its useful economic life of 15 years. The assets and liabilities acquired were as follows

	Book value £	Fair value adjustments £	Fair value £
Debtors	107,962	-	107,962
Investments	99	-	99
Cash at bank and in hand	733,905	-	733,905
Creditors	(1,523,163)	-	(1,523,163)
30 June 2011	<u>(681,197)</u>	<u>-</u>	<u>(681,197)</u>
Consideration satisfied by cash			20,000
Deferred consideration			6,498,256
Consideration			<u>6,518,256</u>
Goodwill			<u>(7,199,453)</u>
			<u>(681,197)</u>

The deferred consideration is to be satisfied by TIS Acquisitions Limited, another group company. This year, PDL International made profit before tax of £185,212 (2010: £Nil).

9 TANGIBLE FIXED ASSETS

GROUP	Plant & machinery £	Fixtures, fittings & equipment £	Total £
Cost			
1 July 2010	234,412	229,639	464,051
Additions	11,963	-	11,963
Disposals	(117,261)	(18,084)	(135,345)
30 June 2011	<u>129,114</u>	<u>211,555</u>	<u>340,669</u>
Depreciation			
1 July 2010	225,837	208,430	434,267
Charged in the year	8,112	21,137	29,249
Disposals	(117,261)	(18,084)	(135,345)
30 June 2011	<u>116,688</u>	<u>211,483</u>	<u>328,171</u>
Net book value			
30 June 2011	<u>12,426</u>	<u>72</u>	<u>12,498</u>
30 June 2010	<u>8,575</u>	<u>21,209</u>	<u>29,784</u>

TIS Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

10 **INVESTMENTS**

	Listed investments £	Unlisted investments £	Total £
GROUP			
Cost or valuation			
1 July 2010	141,912	19,785	161,697
Revaluation	5,446	-	5,446
Additions	100	-	100
30 June 2011	<u>147,458</u>	<u>19,785</u>	<u>167,243</u>
Provisions for diminution in value			
1 July 2010 and 30 June 2011	<u>-</u>	<u>8,785</u>	<u>8,785</u>
Net book value			
30 June 2011	<u>147,458</u>	<u>11,000</u>	<u>158,458</u>
30 June 2010	<u>141,912</u>	<u>11,000</u>	<u>152,912</u>

The historic cost of the listed investments are £121,790 (2010 £121,790)

	Shares in subsidiary undertakings £
COMPANY	
Cost	
1 July 2010 and 30 June 2011	<u>252,920</u>

At 30 June 2011, the company held more than 20 per cent of the equity of the following undertakings

Company	Country of registration or incorporation	Shares held Class	%	Nature of business
Subsidiary undertakings:				
TIS Acquisitions Limited	England & Wales	Ordinary	100%	Intermediate Holding Company
TIS Group Limited	England & Wales	Ordinary	100%	Second hand endowment policy trading
TEP Management Services Limited	England & Wales	Ordinary	100%	Management consultancy and valuation services
Absolute Assigned Policies Limited	England & Wales	Ordinary	100%	Insurance and financial services, including promotion and marketing of alternative investments

TIS Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

10 INVESTMENTS (continued)

Other significant interests:

The Protected Asset TEP Fund Plc	Isle of Man Management	100%	Investment Fund
The Protected Asset TEP Fund Plc	Isle of Man Unclassified	0.03%	Investment Fund
The Protected Capital Growth Fund Plc	Isle of Man Management	100%	Investment Fund

The group has not treated the above investments in which it holds management shares as subsidiaries and therefore has not consolidated these funds within the group's figures as in the directors' opinion the group has no effective control of these funds and derives no benefit from them. Furthermore in the directors' opinion to consolidate the funds would result in a misleading position in relation to the results for the period and the financial position at the balance sheet date.

11 DEFERRED TAXATION

**Deferred
taxation
£**

Group

1 July 2010

1,436,985

Profit and loss account

(101,935)

30 June 2011

1,335,050

The deferred tax asset recognised in the financial statements is as follows

**Group
2011
£**

**Group
2010
£**

Unpaid interest

1,335,050

1,436,985

Deferred tax asset

1,335,050

1,436,985

12 DEBTORS

**Group
2011
£**

**Company
2011
£**

**Group
2010
£**

**Company
2010
£**

Amounts owed by group
undertakings

-

149,467

-

30,734

Other debtors

704,355

-

490,568

-

Prepayments and accrued income

210,264

32,138

726,768

16,070

914,619

181,605

1,217,336

46,804

TIS Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

13	CREDITORS: Amounts falling due within one year	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
	Bank loans	-	-	323,326	-
	Trade creditors	1,135,147	12,125	620,843	68,234
	Amounts owed to group undertakings	-	571,123	-	317,439
	Corporation tax	27,655	-	40,649	-
	Taxes and social security costs	414,398	-	235,386	-
	Other creditors	1,534	29,990	1,534	29,989
	Accruals and deferred income	1,095,101	-	1,328,293	-
		<u>2,673,835</u>	<u>613,238</u>	<u>2,550,031</u>	<u>415,662</u>
14	CREDITORS: Amounts falling due after more than one year			Group 2011 £	Group 2010 £
	Bank loans			18,249,677	18,638,998
	Loan notes			36,238,247	26,020,356
				<u>54,487,924</u>	<u>44,659,354</u>
	Bank loans			Group 2011 £	Group 2010 £
	Loan maturity analysis				
	In more than one year but not more than two years			13,508,083	184,757
	In more than two years but not more than five years			5,000,000	18,900,000
				<u>18,508,083</u>	<u>19,084,757</u>
	Less unamortised loan issue expenses			(258,406)	(445,759)
	Bank loans			<u>18,249,677</u>	<u>18,638,998</u>

The bank loans are secured by a fixed and floating charge over all the assets within the group

Interest is payable on the loans between 2.25-3.50% above Libor. The bank loans are split into 3 tranches, the original amounts of which £16.8m (Facility A), £14.7m (Facility B), £4.2m (Facility C) and £0.8m (Facility C2). The termination dates of those facilities are 30 June 2012 re Facility A, 30 June 2013 re Facility B and 30 June 2014 re Facility C and C2. Facility A was fully repaid within the year.

Post year end the company renegotiated its loan terms such that for the twelve month period to and including 30 June 2012, there is an option to select an interest period for the above loans of one month. Loan repayments against Facility B were paid in December 2010 and June 2011 each for £250,000, based on the amended terms.

TIS Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

14 CREDITORS: Amounts falling due after more than one year (continued)

Loan Notes	Group 2011 £	Group 2010 £
The maturity of the loan notes is as follows		
Investor loan notes	17,437,422	12,520,691
Management loan notes	15,792,696	13,499,665
Deep discount bond	3,008,129	-
	<u>36,238,247</u>	<u>26,020,356</u>

The loan notes will be repaid on the earlier of

- i) a sale or floatation of the company,
- ii) the day after the repayment of the loan facilities noted above, and
- iii) 31 December 2014

Upon repayment of the bank loan facilities all loan notes become repayable on demand, however, there has been a repayment of Loan notes since the loans were made of £707,369

The investor loan notes accrue interest at the rate of 16% per annum, which will not be payable until the final repayment of the principle of the stock. Payment in Kind (PIK) notes have been issued in lieu of interest on the same terms as the original notes. The investor loan notes and PIK notes are quoted on the Channel Islands Stock Exchange.

The management loan notes accrue interest at the rate of 16% per annum, which will not be payable until the final repayment of the principle of the stock.

15 PENSION COSTS

The group does not contribute towards the personal pension schemes of any of its directors and staff.

Defined contribution

	2011 £	2010 £
Contributions (receivable)/payable by the group and company for the year	(99)	349

16 SHARE CAPITAL

	Group and Company 2011 £	Group and Company 2010 £
Authorised:		
67,200 ordinary 'A' shares of £0.01 each	672	672
16,800 ordinary 'B' shares of £1 each	16,800	16,800
	<u>17,472</u>	<u>17,472</u>
Allotted, called up and fully paid:		
67,200 ordinary 'A' shares of £0.01 each	672	672
16,800 ordinary 'B' shares of £1 each	16,800	16,800
	<u>17,472</u>	<u>17,472</u>

TIS Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

17	SHARE PREMIUM	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
	1 July 2010 and 30 June 2011	66,528	66,528	66,528	66,528
18	REVALUATION RESERVE	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
	1 July 2010	(41,452)	-	(56,819)	-
	Revaluation during the year	5,446	-	15,367	-
	30 June 2011	(36,006)	-	(41,452)	-
19	PROFIT AND LOSS ACCOUNT	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
	1 July 2010	(519,795)	(196,150)	3,923,587	(120,751)
	Loss for the financial year	(5,334,684)	(62,756)	(4,443,382)	(75,399)
	30 June 2011	(5,854,479)	(258,906)	(519,795)	(196,150)
In accordance with s408 of the Companies Act 2006, TIS Holdings Limited has not presented its own profit and loss account					
20	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT	2011 Group £	2011 Company £	2010 Group £	2010 Company £
	Loss for the financial period	(5,334,684)	(62,756)	(4,443,382)	(75,399)
	Other recognised gains and losses	5,446	-	15,367	-
	Net deduction from shareholders' funds	(5,329,238)	(62,756)	(4,428,015)	(75,399)
	Opening shareholders' (deficit)/funds	(477,247)	(112,150)	3,950,768	(36,751)
	Closing shareholders' deficit	(5,806,485)	(174,906)	(477,247)	(112,150)

TIS Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

21	CASH FLOWS	2011	2010
		£	£
a	Reconciliation of operating profit/(loss) to net cash inflow from operating activities		
	Operating profit/(loss)	980,290	(117,128)
	Depreciation	29,249	39,141
	Amortisation	3,699,013	3,399,038
	Profit on disposal of fixed asset	(2,308)	(465)
	Decrease in stocks	-	-
	Decrease/(increase) in debtors	410,679	(482,077)
	(Decrease)/increase in creditors	(2,792,788)	607,822
	Net cash inflow from operating activities	2,324,135	3,446,331
b	Analysis of cash flows for headings netted in the cash flow	2011	2010
		£	£
	Returns on investments and servicing of finance		
	Interest received	22,010	5,967
	Interest paid	(649,651)	(698,590)
	Net cash outflow from returns on investments and servicing of finance	(627,641)	(692,623)
	Capital expenditure, financial investment and acquisitions		
	Purchase of tangible fixed assets	(11,963)	(1,271)
	Purchase of intangible fixed assets	(20,000)	-
	Proceeds of sale of tangible fixed assets	2,308	707
	Net cash acquired with group undertaking	733,905	-
	Net cash inflow/(outflow) from capital expenditure, financial investment and acquisitions	704,250	(564)
	Financing		
	Repayment of long term bank loan	(500,000)	(415,703)
	Net cash outflow from financing	(500,000)	(415,703)

TIS Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

21 CASH FLOWS (continued)

c	Analysis of net funds	At 30 June 2010 £	Cash- flow £	Other non- cash changes £	At 30 June 2011 £
	Cash at bank and in hand	3,106,966	1,539,088	-	4,646,054
	Bank loans within one year	(323,326)	323,326	-	-
	Bank loans after one year	(18,638,998)	389,321	-	(18,249,677)
	Loan notes after one year	(26,020,356)	(212,647)	(10,005,244)	(36,238,247)
	Total	(41,875,714)	2,039,088	(10,005,244)	(49,841,870)

22	COMMITMENTS UNDER OPERATING LEASES	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
	At 30 June 2011				
	Land and buildings expiring after 5 years	35,819	35,819	117,000	-

23 RELATED PARTY TRANSACTIONS

The company has taken advantage of the FRS 8 exemption from disclosing transactions between wholly owner members of the group

During the year ended 30 June 2011 the group has made sales and earned commissions totalling £87,455,442 (2010 £25,455,595) from The Protected Asset TEP Fund (PATF) and £Nil (2010 £10,449) from the Protected Capital Growth Fund (PCGF) fund, both companies in which TIS Group Limited owns management shares. The amount due from PATF to the group at 30 June 2011 is £1,127 (2010 £1,847)

In addition, TEP Management Services Limited received valuation fees of £2,131,474 (2010 £2,398,890) from The Protected Asset TEP Fund Plc and £71,153 (2010 £78,132) from The Protected Capital Growth Fund Plc. At the balance sheet date, £116,354 (2010 £167,861) of valuation fees were accrued in prepayments and accrued income

Premises rental and insurance costs totalling £77,843 (2010 £117,000) have been charged by WFTG LLP, a partnership owned by LRJ Portnoi and D Arnold, who are shareholders of the ultimate parent undertaking

Monitoring fees totalling £64,280 (2010 £64,280) have been charged by Promethean Investments LP in the year. Promethean Investments Fund LP is the controlling shareholder of the group. No balance was due to it at the year end

During the year ended 30 June 2011 the group has made payments to Absolute Assigned Policies Limited trading as PDL International Limited, £160,673 (2010 £371,315) in respect of commission. The group has also received payments totalling £Nil (2010 £4,181) from PDL International in respect of commission. The amount due from PDL International Limited to TIS Acquisition Limited at 30 June 2011 is £Nil (2010 £6,400)

Promethean Investments Fund LP, which has a controlling shareholding in the company, provided a loan in the period to TIS Acquisitions Limited, a subsidiary of TIS Holdings Limited. At the balance sheet date, the amount due, including unpaid interest, totalled £17,437,422 (2010: £12,520,691). The terms of the loan are set out in note 14 and the interest payable on the loan in the year was £2,391,066 (2010 £1,817,946)

TIS Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

23 RELATED PARTY TRANSACTIONS (continued)

A group of investors, who include the shareholders of the company, LRJ Portnoi and D Arnold, provided a loan (Management loan notes) to TIS Acquisitions Limited, a subsidiary of the company, in the year which together with unpaid interest totalled £15,792,696 (2010 £13,499,665) as at the year end. The terms of the loan are set out in note 14 and the interest payable on the loan in the year was £2,293,031 (2010 £1,960,093).

A deep discount bond was issued on 10 November 2010 and accrues interest at the rate of 16% per annum, which will not be payable until the final repayment of the principle of the stock.

24 CONTINGENT LIABILITIES

TIS Acquisitions Limited, a subsidiary of TIS Holdings Limited, has a cross guarantee with all other group companies over the banking facilities provided by the Bank of Scotland. The cross guarantee is secured by a debenture over all of the assets of the Group. The value of the loans outstanding at the year end was £18,508,083 (2010 £18,962,324).

25 CONTROL

The company is controlled by Promethean Investments Fund LP. Copies of Promethean Investments Fund LP financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.