Signed

Registered Number 01282939

Directors' Report and Accounts 2011

Pet Plan Limited



Directors' report

Directors.	J Dye M J Churchlow D A Torrance
Secretary·	R C Jack-Kee
Registered Office:	57 Ladymead, Guildford, Surrey, GU1 1DB
Registered No:	1282939

The Directors present their Report and the audited financial statements for the year ended December 31, 2011

Results and dividends

The results for the year are shown in the Income Statement on page 6

The Directors do not recommend the payment of a dividend for the year ended December 31, 2011 (2010 £nil)

Principal activity and review of the business

The principal activity of the Company is introducing sales for pet and related insurance in the main underwritten by Allianz Insurance plc The Company is an FSA authorised intermediary The Company is paid a fixed fee for the business it introduces to Allianz Insurance plc

The Directors of Allianz Holdings plc manage the Group's operations on a divisional basis For this reason the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance, or position of the business of the Company The performance of the Retail division, which includes the Company, is discussed in the Group's annual report, which does not form part of this Report

Principal risks and uncertainties

The Company is a wholly owned subsidiary of Allianz Holdings plc and consequently its management of risk is set at Group level rather than at subsidiary company level For this reason the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business The principal risks and uncertainties of the Allianz Holdings plc Group, which include those of the Company, are discussed in the Group's annual report, which does not form part of this Report

Suppliers

It is the policy of the Company to make known to and agree terms of payment with its suppliers when entering into transactions with them and to keep to those terms Payment practice is 5 days (2010 4 days) calculated in accordance with the statutory regulations

Directors

The names of the current Directors are shown above All served throughout the year save for M J Churchlow who served from his appointment as a Director on January 28, 2011

Directors' report

Directors' responsibility to the auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware The Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that Company's Auditors are aware of that information

Auditors

The Auditors KPMG Audit Plc will be deemed to have been reappointed at the end of 28 days beginning with the day on which copies of these report and accounts are sent to Members

By order of the Board

R C Jack-Kee
Secretary

March 6, 2012

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union (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 IFRSs 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

Independent auditor's report
to the members of Pet Plan Limited

We have audited the financial statements of Pet Plan Limited for the year ended December 31, 2011 set out on pages 6 to 14 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 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at December 31,2011, and of its loss for the year 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 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

Independent auditor's report
to the members of Pet Plan Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

Murray Alexander Raisbeck (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

March 6, 2012

Income statement
for the year ended December 31, 2011

	Notes	2011 £'000	2010 £'000
Continuing operations			
Revenue	2	200	200
Administrative expenses		–	2,291
Profit from continuing operations before taxation	3	200	2,491
Tax expense	6	(296)	(5,987)
Loss for the year and total comprehensive income wholly attributable to the equity holders		(96)	(3,496)

There has been no other comprehensive income in the year ended December 31, 2011

Statement of changes in equity
for the year ended December 31, 2011

	Share capital £'000	Retained earnings £'000	Total £'000
Balance as at January 1, 2010	20	100,703	100,723
Loss for the year and total comprehensive income	–	(3,496)	(3,496)
Balance as at December 31, 2010	20	97,207	97,227
Loss for the year and total comprehensive income	–	(96)	(96)
Balance as at December 31, 2011	20	97,111	97,131

The notes on pages 9 to 14 are an integral part of these financial statements

Balance sheet
as at December 31, 2011

	Notes	2011 £'000	2010 £'000
Current assets			
Debtors and other receivables	7	100,277	103,180
Cash and cash equivalents	8	–	34
Total assets		100,277	103,214
Current liabilities			
Accruals and other payables	10	296	5,987
Bank overdraft	8	2,850	–
Total liabilities		3,146	5,987
Net assets		97,131	97,227
Issued capital and reserves attributable to equity holders of the parent			
Equity share capital	11	20	20
Retained earnings		97,111	97,207
Total equity		97,131	97,227

These financial statements were approved by the Board of Directors on March 6, 2012 and signed on its behalf by

M J Churchlow
Director

The notes on pages 9 to 14 are an integral part of these financial statements

Statement of cash flows
For the year ended December 31, 2011

	Notes	2011 £'000	2010 £'000
Operating activities			
Profit before tax		200	2,491
Adjustments to reconcile group operating profit to net cash inflows from operating activities			
Decrease in debtors		2,903	13,441
Decrease in claims handling provision	9	–	(2,995)
Decrease in accruals and other payables		(5,987)	(5,624)
Cash generated from operations		(2,884)	7,313
Income taxes paid	6(c)	–	(6,439)
Net cash flow from operating activities		(2,884)	874
(Decrease)/Increase in cash and cash equivalents		(2,884)	874
Cash and cash equivalents at the beginning of the year	8	34	(840)
Cash and cash equivalents at the year end	8	(2,850)	34

The notes on pages 9 to 14 are an integral part of these financial statements

Notes to the financial statements
For the year ended December 31, 2011

1 Accounting policies

Company and its operations
The financial statements of Pet Plan Limited (the 'Company') for the 12 months ended December 31, 2011 were authorised for issue by the Board of Directors on March 6, 2012 and the balance sheet was signed on the Board's behalf by M J Churchlow Pet Plan Limited is a private limited company incorporated and domiciled in England & Wales

Statement of compliance

The financial statements of Pet Plan Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and have been consistently applied

Basis of preparation
The financial statements have been prepared on the historical cost basis and are compiled on a going concern basis This basis is considered appropriate as the Company is expected to return to profitability in 2012

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less
For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts

Trade and other receivables
Trade and other receivables are stated at their costs less impairment losses

Trade and other payables
Trade and other payables are stated at their costs

Revenue
Revenue represents commission income and fees receivable for services rendered during the year

Pensions
Pension contributions payable by the Company are borne by Allianz Management Services Limited, a fellow group undertaking These contributions are invested separately from the Company's assets

Income taxes
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Income tax is charged or credited directly to equity if it relates to items that are credited or charge to equity Otherwise income tax is recognised in the income statement

Notes to the financial statements
For the year ended December 31, 2011

2. Revenue

Revenue disclosed in the income statement is analysed as follows

	2011	2010
	£'000	£'000
Commission income and fees receivable	200	200
	200	200

3 Auditors' Renumeration

The Company's audit fees are borne by its immediate parent company The audit fee for 2011 was £1,000 (2010 £23,000) which was wholly attributable to the Company's auditors, KPMG Plc

4. Staff costs and Directors' emoluments

No staff are employed directly by the Company
No Directors received emoluments from the Company during 2011 (2010 £nil)

5. Pension costs

The Company operates a defined contribution scheme for certain employees who were transferred to Allianz Management Services Limited, a fellow group undertaking The assets of the scheme are held separately from those of the Company in an independently administered fund

The contributions payable by the Company to the scheme amounting to £102,311 (2010 £104,291) were borne by Allianz Management Services Limited, a fellow group undertaking

Notes to the financial statements
For the year ended December 31, 2011

6. Income tax expense

(a) Tax on profit on ordinary activities

	2011 £'000	2010 £'000
Current income tax		
UK corporation tax	296	5,987
Total current income tax	296	5,987
Tax expense in the income statement	296	5,987

With effect from April 1, 2012 the standard rate of corporation tax will be reduced to 25% from 26%, the applicable corporation tax rate for the year 2012 will be 25 25%

(b) Reconciliation of the total tax charge

	2011 £'000	2010 £'000
Profit before income tax	200	2,491
Profit multiplied by the UK applicable rate of corporation tax of 26 5% (2010 28%)	53	697
Transfer pricing adjustment	243	–
Prior year adjustment	–	5,290
Total tax expense reported in the income statement	296	5,987

(c) Tax paid for cash flow purposes

	2011 £'000	2010 £'000
Current tax payable at January 1	5,987	6,439
Amounts charged to the income statement	296	5,987
Tax paid during the year	–	(6,439)
Tax relief during the year	(5,987)	–
Current tax payable at December 31	296	5,987

Notes to the financial statements
For the year ended December 31, 2011

7. Debtors and other receivables

	2011 £'000	2010 £'000
Amounts owed by group undertakings	100,277	103,180
	100,277	103,180

Debtors and other receivables approximate to fair value The maximum exposure is limited with reference to the Group counterparty exposure limits All of the Company debtors and other receivables are due within 12 months of the balance sheet date The Company's maximum exposure to credit risk is the value of debtors and other receivables and cash

8. Cash and cash equivalents

	2011 £'000	2010 £'000
(Overdraft)/cash at bank and in hand	(2,850)	34

9 Claims handling provision

	2011 £'000	2010 £'000
Movement in the provision for claims handling		
At January 1	–	2,995
Decrease in provision during the year	–	(2,995)
At December 31	–	–

The provision related to the claims handling expenses of the business at the balance sheet date It is no longer required as the Company is now remunerated on a fixed fee basis

Notes to the financial statements
For the year ended December 31, 2011

10. Accruals and other payables

	2011	*2010*
	£'000	*£'000*
Corporation tax	296	5,987
	296	5,987

Accruals and other payables approximate to fair value The Company manages its liquidity risk to ensure, as far as possible that it will always have sufficient liquidity to settle its liabilities as they fall due All of the liabilities are payable within 12 months of the balance sheet date

11. Issued share capital

	2011	*2010*
	£'000	*£'000*
Allotted, called up and fully paid		
20,000 Ordinary shares of £1 each	20	20

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

12 Parent undertakings

The ultimate parent undertaking, Allianz Societas Europaea is incorporated in Germany and copies of its group accounts are available on request from that company at Koniginstrasse 28, 80802 Munchen, Germany

Allianz Holdings plc is the parent undertaking of the smallest group of undertakings of which the Company is a member and for which group accounts are drawn up Allianz Holdings plc is incorporated in England and group accounts are available from the Company Secretary, 57 Ladymead, Guildford, Surrey, GU1 1DB

Notes to the financial statements
For the year ended December 31, 2011

13. Other related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties Transactions entered into, and trading balances outstanding at December 31 with other related parties, are as follows

	2011	*2010*
	£'000	*£'000*
Transactions entered into with related parties		
Sales and administration services provided to parent company	200	200
Amounts owed by related parties – fellow subsidiary company		
As at January 1,	103,180	19,455
(Decrease)/Increase during the year	(2,903)	83,725
As at December 31,	100,277	103,180
Amounts owed to related parties – parent company		
As at January 1,	–	8,404
Decrease during the year	–	(8,404)
As at December 31,	–	–