

Unicom Insurance Services Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2011



Unicom Insurance Services Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A B Tyler
D J Ratledge F C C A
J F Humphreys
L D Middleton
M R Tyler

SECRETARY

A B Tyler

REGISTERED OFFICE

Link House Ground Floor
292-308 Southbury Road
Enfield
Middlesex
EN1 1TS

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

BANKERS

Royal Bank of Scotland Plc
PO Box 412
62/63 Threadneedle Street
London
EC2R 8LA

Barclays Bank Plc
Lea Valley Group
2 Turnford Place
Great Cambridge Road
Herts
EN10 6NH

Unicom Insurance Services Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Unicom Insurance Services Limited for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

The company is a subsidiary of Tradewise Insurance Company Limited, a company incorporated in Gibraltar

The company's principal activity is the provision of insurance services in the United Kingdom. There have not been any significant changes in the company's principal activity in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

REVIEW OF THE BUSINESS

As shown in the company's profit and loss account on page 6, commission income has increased by 33% (2010 38%) to £1,772,876 (2010 £1,336,127). The year under review has shown a profit before tax of £178,273 (2010 £19,013).

The balance sheet on page 7 of the financial statements shows a corresponding increase in net assets.

There have been no significant events since the balance sheet date which require adjustment or disclosure in the financial statements.

Apart from the level of Gross Commission Income and the reported operating profit for the year, the directors believe that there are no other key performance indicators required to assess the performance of the business.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £132,586 (2010 £18,586). The directors recommended the payment of a final dividend of £1,000 per ordinary share.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure in the UK is continuing risk for the company, which could result in loss of business to competitors. The company manages risk by maintaining an excellent and efficient service with all its customers. The company also believes that communication is the key to maintaining strong business relationships, as our experience has shown us.

The company has no borrowing that accrues any interest, so is unaffected by interest rate exposure.

ENVIRONMENT

The company recognises the importance of its environmental responsibilities and, wherever possible, will design and implement policies to contribute to environmental protection. These include recycling of waste paper and toner cartridges and the installation of an efficient air conditioning and heating system. As a group, our recycling in 2011 saved 142 trees (2010 155 trees).

DIRECTORS

The directors who served the company during the year were as follows:

J F Humphreys
L D Middleton
D J Ratledge F C C A
A B Tyler
M R Tyler

Unicom Insurance Services Limited

DIRECTORS' REPORT

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, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors has 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 reappoint Baker Tilly UK Audit LLP, Chartered Accountants as auditor will be put to the members at the annual general meeting. Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

On behalf of the board



D J Ratledge F C C A
Finance Director

12-9-12

Unicom Insurance Services 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 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).

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 those financial statements, the directors are required to

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF UNICOM INSURANCE SERVICES LIMITED

We have audited the financial statements on pages 6 to 14. 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 member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit 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.

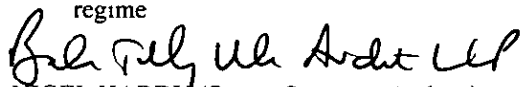
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime.



NIGEL HARDY (Senior Statutory Auditor)

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

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol BS1 6AD

26 September 2012

Unicom Insurance Services Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2011

	Notes	2011 £	2010 £
TURNOVER - COMMISSION INCOME	2	1,772,876	1,336,127
Commission paid to introducers		(80,168)	(80,899)
Premium expenditure		(335,999)	(337,080)
NET COMMISSION AND BROKERAGE		1,356,709	918,148
Administrative expenses		(1,259,667)	(950,274)
Other operating income	3	118,627	77,232
OPERATING PROFIT	4	215,669	45,106
Interest receivable		226	124
		215,895	45,230
Interest payable and similar charges		(37,622)	(26,217)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		178,273	19,013
Taxation	6	(45,687)	(419)
PROFIT FOR THE FINANCIAL YEAR	15	132,586	18,594

The profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Unicom Insurance Services Limited

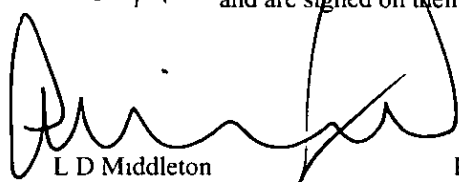
BALANCE SHEET

31 December 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	8	20,254	31,763
Tangible assets	9	27,114	12,451
		<u>47,368</u>	<u>44,214</u>
CURRENT ASSETS			
Debtors	10	471,190	406,024
Cash at bank and in hand		451,680	262,908
		<u>922,870</u>	<u>668,932</u>
CREDITORS			
Amounts falling due within one year	11	(853,381)	(632,241)
NET CURRENT ASSETS		<u>69,489</u>	<u>36,691</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>116,857</u>	<u>80,905</u>
PROVISIONS FOR LIABILITIES	12	(3,366)	-
		<u>113,491</u>	<u>80,905</u>
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Profit and loss account	15	113,391	80,805
SHAREHOLDER'S FUNDS	16	<u>113,491</u>	<u>80,905</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 6 to 14 were approved by the board of directors and authorised for issue on 12-9-12 and are signed on their behalf by



L D Middleton
Director



D J Ratledge F C C A
Director

Unicom Insurance Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent prepares a consolidated cash flow statement

TURNOVER

Turnover represents commission income which comprises total commissions receivable for the year after deducting taxes levied and providing for expected policy cancellations. The company is entitled to commission on inception of the policy

AMORTISATION

Amortisation is calculated so as to write off the cost of an intangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill	-	Straight line over 5 years
----------	---	----------------------------

FIXED ASSETS

All fixed assets are initially recorded at cost

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold improvements	-	Straight line over the remaining life of the lease
Fixtures & fittings	-	25% Straight line basis
Office equipment	-	25% Straight line basis

PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

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 company'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. Deferred tax is measured on a non-discounted basis

Unicom Insurance Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

1 ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

PREMIUMS

The company collects gross premiums and passes these to the insurers after deducting commission as specified in the turnover accounting policy. The amounts of uncollected gross premiums from clients and net premiums due to Insurers are reflected within Insurance debtors and Insurance creditors respectively.

DEBTORS

Specific provisions are made for bad and doubtful debts when, in the opinion of the directors the likelihood of recovery of all or part of a debt is remote.

2 TURNOVER - COMMISSION INCOME

All turnover is derived from UK based insurance transactions.

3 OTHER OPERATING INCOME

	2011	2010
	£	£
Commission receivable	<u>118,627</u>	<u>77,232</u>

4 OPERATING PROFIT

Operating profit is stated after charging

	2011	2010
	£	£
Amortisation of intangible assets	11,509	11,510
Depreciation of owned fixed assets	6,482	4,040
Auditor's fees	<u>14,130</u>	<u>8,259</u>

Unicom Insurance Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Aggregate remuneration	74,439	72,325
Value of company pension contributions to money purchase schemes	3,651	3,208
	<u>78,090</u>	<u>75,533</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2011	2010
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

Four of the directors are paid through Tradewise Insurance Services Limited and costs of £120,000 (2010 £120,000) have been recharged in the year

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011	2010
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 26% (2010 21%)	40,939	1,497
Under provision in prior year	-	304
Total current tax	<u>40,939</u>	<u>1,801</u>
Deferred tax		
Origination and reversal of timing differences	4,748	(1,382)
Tax on profit on ordinary activities	<u>45,687</u>	<u>419</u>

Unicom Insurance Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

6 TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26% (2010 21%), as explained below

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>178,273</u>	<u>19,013</u>
Profit on ordinary activities by rate of tax	46,351	3,993
Effects of		
Expenses not deductible for tax purposes	777	258
Capital allowances for period in excess of depreciation	(4,923)	(970)
Utilisation of tax losses	-	(1,784)
Adjustments to tax charge in respect of previous periods	-	304
Marginal relief	(2,145)	-
Other	879	-
Total current tax (note 6(a))	<u>40,939</u>	<u>1,801</u>

7 DIVIDENDS

Equity dividends

	2011 £	2010 £
Paid during the year		
Dividends per ordinary share £1,000 00 (2010 £nil)	<u>100,000</u>	<u>-</u>

8 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2011 and 31 December 2011	<u>50,946</u>
Amortisation	
At 1 January 2011	19,183
Charge for the year	<u>11,509</u>
At 31 December 2011	<u>30,692</u>
Net book value	
At 31 December 2011	<u>20,254</u>
At 31 December 2010	<u>31,763</u>

Unicom Insurance Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

9 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures & fittings £	Office equipment £	Total £
Cost				
At 1 January 2011	11,664	10,044	17,542	39,250
Additions	2,357	4,275	14,513	21,145
At 31 December 2011	<u>14,021</u>	<u>14,319</u>	<u>32,055</u>	<u>60,395</u>
Depreciation				
At 1 January 2011	6,101	5,470	15,228	26,799
Charge for the year	1,517	2,202	2,763	6,482
At 31 December 2011	<u>7,618</u>	<u>7,672</u>	<u>17,991</u>	<u>33,281</u>
Net book value				
At 31 December 2011	<u>6,403</u>	<u>6,647</u>	<u>14,064</u>	<u>27,114</u>
At 31 December 2010	<u>5,563</u>	<u>4,574</u>	<u>2,314</u>	<u>12,451</u>

10 DEBTORS

	2011 £	2010 £
Insurance debtors	438,607	308,901
Other debtors	32,583	95,741
Deferred taxation (note 12)	—	1,382
	<u>471,190</u>	<u>406,024</u>

Included within other debtors is a directors loan account of £8,000 (2010 £nil)

11 CREDITORS Amounts falling due within one year

	2011 £	2010 £
Bank overdraft	44,864	22,612
Insurance creditors	80,563	90,853
Trade creditors	6,884	10,251
Amounts owed to group undertakings	652,743	474,151
Corporation tax	40,939	1,497
Other taxation and social security costs	12,840	9,767
Other creditors	14,548	23,110
	<u>853,381</u>	<u>632,241</u>

Unicom Insurance Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

12 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
Balance brought forward	(1,382)
Profit and Loss Account movement arising during the year	4,748
Balance carried forward	<u>3,366</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2011 £	2010 £
Excess / (deficit) in taxation allowances over depreciation on fixed assets	3,366	(1,382)
	<u>3,366</u>	<u>(1,382)</u>

13 RELATED PARTY TRANSACTIONS

The company is ultimately controlled by Tradewise Holdings Limited and is included in the consolidated financial statements of Tradewise Holdings Limited, which are publicly available at Companies House, Finance Centre, Suite 761, Europort, Gibraltar, Europe. Consequently, this company has taken advantage of the exemption from disclosing related party transactions with entities that are part of the Tradewise Holdings Limited group under the terms of FRS (Financial Reporting Standard) 8

14 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

15 PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
At the beginning of the year	80,805	62,211
Profit for the financial year	132,586	18,594
Dividends	(100,000)	—
At the end of the year	<u>113,391</u>	<u>80,805</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2011 £	2010 £
Profit for the financial year	132,586	18,594
Dividends	(100,000)	—
Net addition to shareholder's funds	<u>32,586</u>	<u>18,594</u>
Opening shareholder's funds	80,905	62,311
Closing shareholder's funds	<u>113,491</u>	<u>80,905</u>

Unicom Insurance Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

17 ULTIMATE PARENT COMPANY

In the opinion of the directors the company's immediate parent company and controlling entity is Tradewise Insurance Company Limited, which is incorporated in Gibraltar. The ultimate parent company is Tradewise Holdings Limited, a company also incorporated in Gibraltar. Tradewise Holdings Limited is the largest and smallest entity which consolidates Unicom Insurance Services Limited. The consolidated financial statements are publicly available from Tradewise Holdings, Suite 827, Europort, Gibraltar, Europe.