

Abbreviated Unaudited Accounts for the Year Ended 31 July 2012

for

Tonic Insurance Limited

Tonic Insurance Limited (Registered number: 04420344)

**Contents of the Abbreviated Accounts
for the Year Ended 31 July 2012**

	Page
Company Information	1
Abbreviated Balance Sheet	2
Notes to the Abbreviated Accounts	4

Tonic Insurance Limited

**Company Information
for the Year Ended 31 July 2012**

DIRECTORS:

Mr A E Rae
Mr N T Bond

SECRETARY:

Mr A A Johnson

REGISTERED OFFICE:

68 Lombard Street
London
EC3V 9LJ

REGISTERED NUMBER:

04420344 (England and Wales)

ACCOUNTANTS:

Arawn Johnson Chartered Accountants
PO Box 14574
Ras Al Khaimah
UAE

Abbreviated Balance Sheet
31 July 2012

	Notes	31.7.12 £	£	31.7.11 £	£
FIXED ASSETS					
Tangible assets	2		69,306		72,902
CURRENT ASSETS					
Debtors	3	36,248		46,576	
Cash at bank		<u>12,795</u>		<u>7,595</u>	
		49,043		54,171	
CREDITORS					
Amounts falling due within one year	4	<u>43,026</u>		<u>104,160</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>6,017</u>		<u>(49,989)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			75,323		22,913
CREDITORS					
Amounts falling due after more than one year	4		<u>1,902</u>		<u>-</u>
NET ASSETS			<u>73,421</u>		<u>22,913</u>
CAPITAL AND RESERVES					
Called up share capital	5		606,749		443,109
Share premium			240,860		12,000
Profit and loss account			<u>(774,188)</u>		<u>(432,196)</u>
SHAREHOLDERS' FUNDS			<u>73,421</u>		<u>22,913</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2012.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2012 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

Abbreviated Balance Sheet - continued
31 July 2012

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 29 April 2013 and were signed on its behalf by:

Mr A E Rae - Director

Notes to the Abbreviated Accounts
for the Year Ended 31 July 2012

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts have been prepared under the going concern basis because the directors believe that existing arrangements in place to secure second stage development funding through investment in preference shares, following the first stage funding through seed capital, will continue into the foreseeable future. The company has net current liabilities [after adjusting for debtors due after more than one year] and continues to make significant losses whilst in the early stages of development and marketing of its niche online products.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents commission income received, net of any amounts paid in respect of lapsed policies and, for the prior year only, consultancy fees receivable. Commission on debited premiums is deferred until it is received.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery etc - 33% on cost, 20% on cost and 15% on cost

Whilst the useful economic life of other computer equipment remains as 3 years, the directors considered it more appropriate in the prior year to revise the life of website development costs from 3 to 5 years. Consequently, the depreciation charges for the prior year were reduced by £ 27,825.

Deferred tax

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 July 2012

2. TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 August 2011	182,620
Additions	17,853
At 31 July 2012	<u>200,473</u>
DEPRECIATION	
At 1 August 2011	109,718
Charge for year	21,449
At 31 July 2012	<u>131,167</u>
NET BOOK VALUE	
At 31 July 2012	<u>69,306</u>
At 31 July 2011	<u>72,902</u>

3. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

The aggregate total of debtors falling due after more than one year is £ 20,250 (31.7.11 - £ 15,000)

4. CREDITORS

Creditors include an amount of £ 3,734 for which security has been given.

5. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.12 £	31.7.11 £
435,109	Ordinary	£ 1	435,109	435,109
167,640	5% non-cumulative convertible preference	£ 1	<u>171,640</u>	<u>8,000</u>
			<u>606,749</u>	<u>443,109</u>

159,640 5% non-cumulative convertible preference shares of £ 1 each were allotted as fully paid at a premium of 1.4336 per share during the year.

The company entered into an agreement to raise up to £ 1m by issuing a maximum of 400,000 5% non-cumulative convertible preference shares.

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 July 2012**

5. CALLED UP SHARE CAPITAL - continued

The 5 % non-cumulative convertible preference shares of £ 1 each carry the following rights:-

1. Dividends:-

They carry a dividend of 5 % (net of tax credit) should the company resolve to make a distribution. The dividend rights are not cumulative.

2. Conversion:-

The holders are entitled to convert their preference shares into ordinary shares, at a rate of 1 ordinary share for every 2 preference shares, but only in the event of a change of control.

3. Voting:-

They carry no votes at meetings and no rights for the holders to attend any meetings.

4. Winding Up:-

The holders are entitled to repayment in priority to any repayments made to the ordinary shareholders in the event of a winding up, but are not entitled to participate further in any surplus.

5. Redemption:-

They are not redeemable.

6. ULTIMATE PARENT COMPANY

Tonic Holdings Limited is regarded by the directors as being the company's ultimate parent company.

7. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 31 July 2012 and 31 July 2011:

	31.7.12 £	31.7.11 £
Mr A E Rae		
Balance outstanding at start of year	5,000	5,000
Amounts repaid	-	-
Balance outstanding at end of year	<u>5,000</u>	<u>5,000</u>
Mr N T Bond		
Balance outstanding at start of year	5,000	5,000
Amounts advanced	9,000	-
Amounts repaid	-	-
Balance outstanding at end of year	<u>14,000</u>	<u>5,000</u>
Mr J A Newman		
Balance outstanding at start of year	5,000	5,000
Amounts repaid	(5,000)	-
Balance outstanding at end of year	<u>-</u>	<u>5,000</u>

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 July 2012**

7. TRANSACTIONS WITH DIRECTORS - continued

These interest free loans are repayable at the option of the company and, except for one loan of £ 5,000 to Mr A E Rae, are included under debtors due after more than one year because the company does not plan to call in the debts for the foreseeable future. As the loan to Mr A E Rae has been repaid before these accounts were finalised, that loan has been included under debtors due within one year and the notional tax of £ 1,250 associated with it has been included in debtors due after more than one year because and although the liability to pay it is still included in creditors due within one year.

The loan to Mr J A Newman was not in fact repaid during the year but reclassified as a related party transaction due to his retirement as a director of the company on 5 August 2011. This loan is also included under debtors due after more than one year and the associated notional tax of £ 1,250 is included in creditors due within one year.

During the year the company made a further loan to Mr N T Bond to the value of £ 9,000 that bears interest at HMRC's official rate. As with the original loans, this one is also repayable at the option of the company and is included under debtors due after more than one year because the company does not plan to call in the debt for the foreseeable future.

Notional tax of £ 1,250 has been charged on the original loan to Mr N T Bond and a further £ 2,250 has been charged on the subsequent loan to him and is included in creditors due within one year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.