

Enterprise Holdings Limited
(Formerly ADYE Holdings Limited)

GROUP REPORT & FINANCIAL STATEMENTS

31 March 2013

Company Registration No. 98427

Enterprise Holdings Limited

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Enterprise Holdings Limited

DIRECTORS, OFFICERS AND OTHER INFORMATION

Directors:

A Flowers
N Cruz
J Jacobson
P Martinez

Joint Secretaries:

Acquarius Company Secretaries Limited
Elaine Jones

Auditors:

EY Limited
Regal House
Queensway
Gibraltar

Registered Office:

Suite 3, 2nd Floor
ICOM House
1/5 Irish Town
Gibraltar

Enterprise Holdings Limited

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of Enterprise Holdings Limited and its subsidiaries ("the Group") for the year ended 31 March 2013.

Principal activity

Enterprise Holdings Limited ("the Company") is registered in Gibraltar and is an investment holding company. The principal activity of its main subsidiary undertaking, Enterprise Insurance Company Plc ("EICP") is the provision of a number of bespoke and tailored wholesale insurance solutions.

Review of business and future developments

The Group has had a challenging year due to the under-performance of its subsidiary company, Enterprise Insurance Company Plc. Enterprise suffered due to two poorly performing motor accounts, both of which have been placed into run-off and the Board are comfortable that the position is fully reserved and this is reflected in the year-end numbers. Notwithstanding this, the Board are delighted that many new strategic initiatives have been implemented in the business to prepare for its future growth plans.

These initiatives will see improved claims handling, tighter underwriting controls and a platform for business growth, which will all see increased business growth with a return to significant profitability for the Group in the new financial year.

It is noteworthy that the Group's subsidiary, Enterprise Insurance Company Plc, has now introduced standards into its Corporate Governance in line with those envisaged for Solvency II, Pillar II. This has seen the formation of a number of new internal Committee's which has added further levels of control within the trading business.

The Company issued a €35 million Bond on the Frankfurt Stock Exchange in 2012 achieving a credit rating of A- from Creditreform, one of Germany's leading credit reference agencies. The Bond was not fully subscribed at the end of the financial year however post year-end it is now fully subscribed and the proceeds will be invested in Enterprise Insurance to provide solvency capital for future growth.

Whilst overall a difficult year, much has been achieved and the Directors look forward with anticipation to further significant profitable growth, utilising the platform that has been created within its subsidiary businesses. The Directors are continuing to seek out further strategic investments as part of its on-going strategy to further enhance business growth and shareholder value.

Results and dividends

The results of the Group for the year are shown in the profit and loss account on pages 6 and 7. The directors do not recommend the payment of a dividend.

Directors

The directors of the Company during the period and to the date of signing the financial statements were as stated on page 1.

Financial risk management objectives and policies

The Group is exposed to financial risk through its financial assets, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The financial risk management objectives and policies are set out in note 2 to the financial statements.

Enterprise Holdings Limited

DIRECTORS' REPORT *(continued)*

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

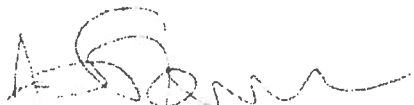
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the accounts comply with the Gibraltar Companies Act and the Insurance Companies (Accounts Directive) Regulations 1997. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the Group's website is the responsibility of the directors. The directors' responsibility extends to the ongoing integrity of the financial statements contained therein.

Auditors

The retiring auditors are EY Limited who are eligible for reappointment.



Director



Director

26 September 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENTERPRISE HOLDINGS LIMITED

Report on the Financial Statements

We have audited the group financial statements of Enterprise Holdings Limited for the year ended 31 March 2013 which comprise the group profit and loss account, the group and parent company balance sheets, the group statement of total recognised gains and losses, the group cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 182 of the Companies Act and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and true and fair presentation of these financial statements in accordance with applicable law in Gibraltar and Gibraltar Accounting Standards ("Gibraltar Generally Accepted Accounting Practice"). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ENTERPRISE HOLDINGS LIMITED (*Continued*)**

Opinion

In our opinion, the group financial statements:

- give a true and fair view, in accordance with Gibraltar Generally Accepted Accounting Practice, of the state of the group and the company's affairs as at 31 March 2013 and of the group's loss and cash flows for the year then ended; and
- have been properly prepared in accordance with the Companies Act, the Insurance Companies (Accounts Directive) Regulations 1997 and other applicable legislation.

Opinion on other matter prescribed by the Companies Act

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 requires us to report to you if, in our opinion:

- the company has not kept proper accounting records; or
- if information specified by law regarding directors' remuneration and other transactions is not disclosed; or
- we have not received all the information and explanations we require for our audit.



Dale Cruz

Statutory auditor for and on behalf of

EY LIMITED

Registered auditors

Chartered Accountants

Regal House

Queensway

Gibraltar

26 September 2013

Enterprise Holdings Limited

GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 March 2013

TECHNICAL ACCOUNT

		Year ended 31/03/2013	Nine month period ended 31/03/2012 (As restated)
	Notes	£	£
Earned premiums, net of reinsurance			
Gross written premiums	3	134,809,542	75,196,960
Outward reinsurance premiums	3	(57,509,054)	(32,495,744)
Net written premiums		77,300,488	42,701,216
Change in the gross provision for unearned premiums	3	(18,828,660)	(10,620,205)
Change in the provision for unearned premiums, reinsurers' share	3	9,531,414	7,017,255
		(9,297,246)	(3,602,950)
Earned premiums, net of reinsurance		68,003,242	39,098,266
Other technical income		2,740,762	1,596,363
Claims incurred, net of reinsurance			
Claims paid			
Gross amount	4	(46,616,735)	(20,790,171)
Reinsurers' share	4	16,331,627	6,139,098
		(30,285,108)	(14,651,073)
Change in the provision for claims			
Gross amount	4	(31,409,327)	(15,909,496)
Reinsurers' share	4	15,203,200	7,159,103
		(16,206,127)	(8,750,393)
Claims incurred, net of reinsurance		(46,491,235)	(23,401,466)
Net operating expenses	5	(24,912,104)	(9,598,139)
Balance on the Technical Account		(659,335)	7,695,024

The notes on pages 14 to 36 form part of these financial statements.

Enterprise Holdings Limited

GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 March 2013

NON - TECHNICAL ACCOUNT

		Year ended 31/03/2013	Nine month period ended 31/03/2012 (As restated)
	Notes	£	£
Balance on the General Business Technical Account		(659,335)	7,695,024
Investment income			
Interest receivable		566,114	257,968
Unrealised gain / (loss) on investments		18,652	(24,965)
Realised gains on investments		22,879	650
Other income		43,225	15,480
Other charges	6	(12,591,335)	(5,725,967)
(Loss) / profit on ordinary activities before tax		(12,599,800)	2,218,190
Tax on (loss) / profit on ordinary activities	7	(152,183)	(411,689)
(Loss) / profit on ordinary activities after taxation		(12,751,983)	1,806,501
Minority interest		133	(6,459)
(Loss) / profit for the financial year		(12,751,850)	1,800,042

The Group has had no discontinued activities in the year. Accordingly, the above results for the Group relate solely to continuing activities and include all recognised gains and losses in arriving at the profit for the year. This profit is stated on an historical cost basis modified by marking to market of other financial investments and revaluation of land and buildings to fair value.

The notes on pages 14 to 36 form part of these financial statements.

Enterprise Holdings Limited

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 March 2013

		Year ended 31/03/2013	Nine month period ended 31/03/2012 (As restated)
	Note	£	£
Total recognised (losses) / gains relating to the year (as restated)		(12,751,850)	1,800,042
Prior year adjustments – effect on 2012 profit	1	(994,937)	
		<hr/>	<hr/>
Total losses recognised since last annual report		(13,746,787)	
		<hr/>	

The notes on pages 14 to 36 form part of these financial statements.

Enterprise Holdings Limited

GROUP BALANCE SHEET as at 31 March 2013

ASSETS

	Notes	As at 31/03/2013		As at 31/03/2012 (As restated)	
		£	£	£	£
Intangible asset					
Goodwill	8		172,797		249,597
Investments					
Land and buildings	9	2,050,083		1,056,000	
Other financial investments	10	22,262,279		15,066,963	
			24,312,362		16,122,963
Reinsurers' share of technical provisions					
Provision for unearned premiums	3	22,820,281		13,288,867	
Claims outstanding	4	24,870,395		9,667,195	
			47,690,676		22,956,062
Debtors					
Debtors arising out of direct insurance operations		41,508,363		31,161,922	
Debtors arising out of reinsurance operations		13,320,947		4,295,123	
Other debtors		2,927,242		1,364,765	
			57,756,552		36,821,810
Other assets					
Tangible fixed assets	11	235,344		670,408	
Cash at bank and in hand	12	21,105,107		9,587,317	
			21,340,451		10,257,725
Prepayments and accrued income					
Accrued interest		273,906		181,377	
Deferred acquisition costs		13,087,977		8,099,496	
Other prepayments and accrued income		878,214		118,111	
			14,240,097		8,398,984
Total assets			165,512,935		94,807,141

The notes on pages 14 to 36 form part of these financial statements.

Enterprise Holdings Limited

GROUP BALANCE SHEET as at 31 March 2013 *(continued)*

LIABILITIES

		As at 31/03/2013		As at 31/03/2012 (As restated)	
	Notes	£	£	£	£
Capital and reserves					
Called up share capital	13, 14	700		700	
Share premium account	14	699,550		699,550	
Profit and loss account	14	(4,709,845)		8,042,005	
Equity shareholders' funds			(4,009,595)		8,742,255
Equity minority interests			2,632,434		2,457,567
Technical provisions					
Provision for unearned premiums					
- gross amount	3	53,212,922		34,384,262	
Claims outstanding					
- gross amount	4	58,049,453		26,640,126	
			111,262,375		61,024,388
Creditors					
Creditors arising out of direct insurance operations		3,811,021		3,401,190	
Creditors arising out of reinsurance operations		23,196,762		11,936,847	
Debenture loans	15	17,993,079		-	
Other creditors - including taxation and social security	16	5,171,213		4,066,817	
			50,172,075		19,404,854
Accruals and deferred income			5,455,646		3,178,077
Total liabilities and shareholders' equity			165,512,935		94,807,141

Approved and signed on behalf of the Board of directors on 26 September 2013



Director



Director


The notes on pages 14 to 36 form part of these financial statements.

Enterprise Holdings Limited

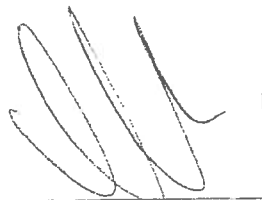
COMPANY BALANCE SHEET as at 31 March 2013

		As at 31/03/2013		As at 31/03/2012	
	Notes	£	£	£	£
ASSETS					
Investments					
Investments in group undertakings	10(b)	12,000,000		2,000,000	
Debtors					
Amount due from subsidiary undertaking		4,000,000		-	
Sundry debtors		250		251	
Other assets					
Cash at bank	12	3,181,952		5,234	
Total assets		19,182,202		2,005,485	
LIABILITIES					
Capital and reserves					
Called up share capital	13,14	700		700	
Share premium account	14	699,550		699,550	
Profit and loss account	14	(1,246,969)		1,020,907	
Equity shareholders' funds		(546,719)		1,721,157	
Creditors					
Amounts due to group undertakings		970,067		271,170	
Debenture loans	15	17,993,079		-	
Other creditors		89,027		8,308	
		19,052,173		279,478	
Accruals and deferred income		676,748		4,850	
Total liabilities and shareholders' equity		19,182,202		2,005,485	

Approved and signed on behalf of the Board of directors on 26 September 2013



Director



Director

Enterprise Holdings Limited

GROUP CASH FLOW STATEMENT for the year ended 31 March 2013

	Note	Year ended 31/03/2013		Nine month period ended 31/03/2012 (As restated)	
		£	£	£	£
Net cash inflow from operating activities	17(i)	1,349,536		7,736,877	
Returns on investments and servicing of finance					
Interest received		566,114		257,968	
Interest paid		(28,000)		(21,000)	
		538,114		236,968	
Taxation					
Taxation paid		(317,783)		(297,650)	
Capital expenditure					
Payments to acquire tangible fixed assets		(62,058)		(601,595)	
Sale of fixed assets		3,272		-	
		(58,786)		(601,595)	
Net cash inflow before financing		1,511,081		7,074,600	
Financing					
Net proceeds from financing		17,825,494		-	
Net increase in cash		19,336,575		7,074,600	
CASH FLOWS WERE INVESTED AS FOLLOWS:					
Increase in cash at bank and in hand		11,517,790		5,397,491	
Net portfolio investment (excluding cash)					
Increase in other financial investments		7,153,785		1,527,109	
Payments to acquire land and buildings		665,000		150,000	
Net investment of cash flows		19,336,575		7,074,600	

The notes on pages 14 to 36 form part of these financial statements.

Enterprise Holdings Limited

GROUP CASH FLOW STATEMENT for the year ended 31 March 2013 *(continued)*

	Year ended 31/03/2013	Nine month period ended 31/03/2012 (As restated)
Note	£	£
Movement in opening and closing portfolio investments net of financing:		
Net cash flow for the year	19,336,575	7,074,600
Transfer from fixed assets to land and buildings	329,083	-
Other changes including market values and exchange rate effects	41,531	(24,315)
Portfolio investments net of financing b/fwd	25,710,280	18,659,995
	<u>45,417,469</u>	<u>25,710,280</u>
Net change in debenture loans	(17,993,079)	-
	<u>27,424,390</u>	<u>25,710,280</u>
Portfolio investments net of financing c/fwd		
	<u>27,424,390</u>	<u>25,710,280</u>
Cash, portfolio investment and financing consisting of:		
Cash at bank and in hand	21,105,107	9,587,317
Other financial investments	22,262,279	15,066,963
Land and buildings	2,050,083	1,056,000
Debenture loans	(17,993,079)	-
	<u>27,424,390</u>	<u>25,710,280</u>
17(ii)	<u>27,424,390</u>	<u>25,710,280</u>

The notes on pages 14 to 36 form part of these financial statements.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group financial statements:

Basis of accounting

The financial statements have been prepared under the historical cost convention (modified by the marking to market of other financial investments and revaluation of land and buildings to fair value), the accounting policies set out below, and applicable legislation and in accordance with Gibraltar Accounting Standards.

Gibraltar legislation applied in the preparation of these financial statements includes the Companies Act and the Insurance Companies (Accounts Directive) Regulations 1997.

The financial statements have been prepared in accordance with the Statement of Recommended Practice issued by the Association of British Insurers (the "ABI SORP") on Accounting for Insurance Business issued in December 2005.

Prior year adjustments

Resulting from errors in the 2012 financial statements, prior year adjustments have been reflected in the financial statements for the year ended 31 March 2013. The effects of this prior year adjustments on the period ended 31 March 2012 are shown below:

	2012 £	Prior year adjustment £	Restated 2012 £
<i>Balance Sheet</i>			
Provision for unearned premiums	(32,140,151)	(2,244,111)	(34,384,262)
Claims outstanding	(27,171,185)	531,059	(26,640,126)
Deferred acquisition costs	7,381,381	718,115	8,099,496
Profit and loss account	9,036,942	(994,937)	8,042,005

Going concern basis of preparation of the financial statements

The Company's main subsidiary, Enterprise Insurance Company Plc ("EICP") is required to maintain a minimum solvency margin as required by the Insurance Companies (Solvency Margins and Guarantee Funds) Regulations 2004. As at 31 March 2013, EICP had net assets of £17.6m (2012: £13.4m) and a solvency position of £0.1m in excess of the minimum solvency margin of £15.427m (2012: £1.008m deficit below the minimum solvency margin of £13.829m). The solvency position as at 31 March 2013 is subject to normal regulatory review (see note 4).

The Financial Services Commission ("FSC") requested the submission of a restoration plan to strengthen EICP's solvency position and to increase its capital base. During the year, EICP issued shares totalling £14.7m. Subsequent to the year end, EICP has been further capitalised by an additional £8.0m in share capital.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (*continued*)

Going concern basis of preparation of the financial statements (*continued*)

The directors consider that the Company continues to have adequate resources to manage its business risks successfully. Accordingly, the Company has adopted the going concern basis in preparing the financial statements.

Basis of consolidation

The group financial statements include the assets, liabilities and results of Enterprise Holdings Limited (“the Company”) and its subsidiary undertakings (collectively, “the Group”) in which the Group has a controlling interest, using accounts drawn up to 31 March 2013.

The Company has taken advantage of the exemption under Section 7 of the Insurance Companies (Accounts Directive) Regulations 1997 from presenting its own profit and loss account.

Business acquisitions

Business acquisitions are accounted for by applying the acquisition method of accounting, which adjusts the net assets of the acquired company to fair value at the date of purchase. The difference between fair value of net assets of the acquired company and the fair value of the consideration given represents goodwill.

Basis of accounting for insurance business

The results are determined on an annual basis, whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance.

Premiums

Premiums written relate to business incepted during the period, together with any differences between the booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified to the Group less an allowance for cancellations, discounts, refunds and rebates but before deduction of reinsurance ceded and commission payable.

Premiums are payable on inception of the policy other than for deferred policies where payment is due when the claim has been settled.

Outward reinsurance premiums are accounted for in the same accounting period as the related direct insurance business.

Unearned premiums reserve

The unearned premiums reserve represents the proportion of premiums written in the period that relate to the unexpired terms of the policies in force at the balance sheet date. For policies with an indefinite period of insurance the premiums are fully earned on the inception date with an appropriate claims reserve created.

Critical accounting estimates - Claims provisions and related reinsurance recoveries

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group’s most critical accounting estimate is the ultimate liability arising from insurance claims.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (*continued*)

Critical accounting estimates - Claims provisions and related reinsurance recoveries (*continued*)

Claims incurred comprise claims paid during the financial period together with the movement in the provision for outstanding claims. Reinsurance recoveries are accounted for in the same accounting period as the claims for the related business being reinsured.

The provision for claims outstanding is made on an individual basis and is based on the ultimate cost of all claims notified but not settled by the balance sheet date. The provision also includes the estimated cost of claims incurred but not reported at the balance sheet date based on statistical methods.

Claims outstanding

The estimation of claims incurred but not reported (“IBNR”) is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where more information about the claim event is generally available. Claims IBNR may often not be apparent to the insurer until many years after the event giving rise to the claim has happened. Classes of business where the IBNR proportion of the total reserve is high will typically display greater variations between the initial estimates and the final outcomes because of the greater degree of difficulty of estimating those reserves. Classes of business where claims are typically reported relatively quickly after the claim event will tend to display lower levels of volatility. In calculating the estimated cost of unpaid claims, the Group uses a variety of estimation techniques, generally based upon statistical analyses of historic experience, which assumes that the development pattern of the current claims will be consistent with past experience.

Reinsurance recoveries

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more insurance contracts issued by the Group are classified as reinsurance contracts held.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as long-term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

The Group assesses its reinsurance assets for impairment on an annual basis. The Group gathers the evidence that a reinsurance asset is impaired by having regard to market data on the financial strength of each of the reinsurance companies.

Acquisition costs

Acquisition costs are included within net operating expenses and comprise of direct acquisition costs (like brokerage and service company costs) and indirect acquisition costs (like advertising and marketing costs) in connection with the issuance of insurance contracts written during the financial year. When indirect acquisition costs include other costs but these cannot be reliably determined, the full costs are treated as acquisition costs. They are spread over an equivalent period to that over which the premiums on the underlying business are earned. Deferred acquisition costs represent the proportion of acquisition costs incurred in respect of unearned premiums at the balance sheet date.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (*continued*)

Sliding scale commission

Where applicable, sliding scale commission is accrued on business written using ultimate loss ratios to calculate the commission. It is spread over a period equivalent to that over which the premiums on the underlying business are earned.

Guarantee fund levies

Provision is made at the balance sheet date for levies declared by the Financial Services Compensation Scheme and Motor Insurers' Bureau based on premium income recognised in the financial statements. The charge in the technical account is matched to earned premiums.

Foreign currencies

(i) Functional and presentation currency

Items included in the group financial statements are measured and presented using British pounds (£), the currency of the primary economic environment in which the Group operates (the 'functional currency'), which is also the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rate ruling at the balance sheet of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Other financial investments

The Group has designated, on initial recognition, its financial assets held for investment purposes (investments) at fair value through profit and loss account. The fair values of quoted financial investments are based on current bid prices. If the market for an investment is not active, fair value is established by using other valuation techniques.

Financial investments comprise the following:

- Shares and other variable yield securities and unit trusts are shown at market value;
- Debt securities and other fixed income securities shown at market value;
- Deposits with credit institutions shown at fair value;
- Derivative contracts shown at market value; and
- Other loans secured by charges – at cost

Investments in group undertakings

Investments in group undertakings are recorded in the Company's balance sheet at cost less any necessary provision for impairment in value.

Impairment reviews

A review for impairment of investments is conducted if events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable in full. To the extent that the carrying amount exceeds the recoverable amount, the asset is impaired and is written down. Any impairment loss is recognised in the profit and loss account.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (*continued*)

Land and buildings

Land and buildings include freehold and leasehold properties and are valued at open market valuation. Full valuations are made by independent, professionally qualified valuers every three years. The aggregate surplus or deficit on revaluation is taken to the non-technical account.

No depreciation or amortisation is provided in respect of land and buildings as the directors consider that the residual value is not less than the current carrying value. Depreciation is only one of the factors reflected in the annual valuations, and the amounts which might otherwise have been shown cannot reasonably be separately identified or quantified.

Leasehold improvements relating to properties that have been revalued are included in the value of land and buildings.

Investment income

Interest income is accounted for as and when it becomes due and receivable.

Realised gains or losses represent the difference between net sales proceeds and purchase price.

Unrealised gains and losses on investments represent the difference between the current value of investments at the balance sheet date and their purchase price. The movement in unrealised investment gains/losses includes an adjustment for previously recognised unrealised gains/losses on investments disposed of in the accounting period.

Investment return (including realised and the movement in unrealised investment gains and losses) on investments attributable to the general business and associated shareholder's funds is reported in the non-technical account.

Taxation and deferred tax

Current taxation

Current taxation is provided for on the basis of tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all significant 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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (*continued*)

Debenture loans

Debenture loans relate to capital instruments issued to raise capital. These include bonds and are recognised initially at fair value, net of bond issue costs. Capital instruments are subsequently recognised at amortised cost. The difference between the proceeds (net of bond issue costs) and the redemption value is recognised in the profit and loss account over the term of the instrument (the earlier of maturity date and early redemption date) using the effective interest method.

Goodwill

Positive goodwill arising on acquisition of a group undertaking represents the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. This is stated at cost less amortisation.

Positive goodwill is capitalised and treated as an asset on consolidation. Positive goodwill is regarded as having a limited useful economic life of eight years and is amortised through the profit and loss account on a straight line basis over its useful economic life.

A provision for impairment is made when necessary.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Leasehold improvements	20%
Computer equipment	25%
Office equipment	25%

Operating leases

Rentals payable under operating leases are charged to the profit and loss account as incurred over the term of the lease.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

2. Financial risk management objectives and policies

The Group's activities expose the business to a number of key risks which have the potential to affect its ability to achieve its business objectives.

The systems in place can only provide reasonable and not absolute assurance. The Board sets appropriate policies on risk management and internal control and seeks regular assurance as to their effectiveness. The following describes the Group's financial risk management policies.

The Group is exposed to financial risk through its financial assets, financial liabilities, reinsurance assets and policyholder liabilities. In particular, the key financial risk is that the proceeds from the financial assets are not sufficient to fund the obligations arising from policies as they fall due. The most important components of financial risk are price risk, currency risk, credit risk, liquidity risk and cash flow interest rate risk.

The Group manages these positions with its investment managers to achieve investment returns in excess of obligations under insurance contracts.

Credit risk

The Group has four significant concentrations of credit risk.

These are (i) the placing of all reinsurance contracts with third party reinsurers (ii) the receipt of insurance premiums from policy holders and intermediaries (iii) the depositing of all of its cash with banks and money market funds, (iv) investments held in equities, variable yield securities (corporate and government bonds) and other fixed income securities.

In respect of its reinsurance contracts, these are placed with reputable reinsurers.

In respect of policy holders and intermediaries, the Group issues statements to all brokers and closely monitors the amounts due from them together with all payments made.

In respect of cash deposits, these are principally held with various high rated banks and money market funds.

In respect of other financial investments, these are managed together with the Group's advisors to ensure that credit risk is mitigated as far as possible.

Liquidity risk

The Group retains a significant proportion of gross written premiums in separately identifiable bank accounts thereby ensuring a prudent level of cash is available to meet its obligations arising from policies. In addition, the Group's other financial investments are held in short term and near cash instruments with money market funds deposits, sterling liquidity fund UCITS and liquid tradable securities.

Currency risk

During the year, the Group was writing insurance business in France, Greece and Italy thereby exposing the Group to the variability of Euro currency. The level of business written in these countries amounted to a sterling equivalent of £48,053,359 (2012: £29,109,089) relative to total premiums written of £134,809,542 (2012: £75,196,960). To the extent that the Directors are comfortable they have sufficient currency cash balances to discharge potential liabilities, surplus balances are exchanged for sterling.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

2. Financial risk management objectives and policies *(continued)*

Interest rate risk and price risk

Interest rate risk and price risk arises primarily from cash at banks, debt securities and deposits with credit institutions. In addition, to the extent that claims inflation is correlated to interest rates, liabilities to policyholders are exposed to interest rate risk. The sensitivity analysis for interest rate risk illustrates how changes in fair values or future cash flows of financial assets will fluctuate as a result of changes in market interest rates at the reporting date. Below illustrates the sensitivity of the Group's financial investments to interest rate risk.

During the year, the Group entered into derivative transactions to hedge its exposure from the adverse movement of interest rates in its financial investments.

<u>Interest rate risk</u>	£	
Average interest bearing assets		10,558,271
Actual interest received for the year		566,114
Average rate of interest of - 5.0%		
Net loss for the year		(12,751,850)
If interest had been earned at 4.0% or 6.0%;	4.0%	6.0%
	£	£
Interest received for the year would be	422,331	633,496
Effect on net loss for the year	(143,783)	67,382
Net loss would be	(12,895,633)	(12,684,468)

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

3. Earned premiums, net of reinsurance

	Year ended 31/03/2013		
	Gross £	Reinsurance £	Net £
Premiums receivable	134,809,542	(57,509,054)	77,300,488
Unearned premiums carried forward	(53,212,922)	22,820,281	(30,392,641)
Unearned premiums brought forward	34,384,262	(13,288,867)	21,095,395
Change in the provision for unearned premiums	(18,828,660)	9,531,414	(9,297,246)
Premiums earned	115,980,882	(47,977,640)	68,003,242
	Nine month period ended 31/03/2012 (As restated)		
	Gross £	Reinsurance £	Net £
Premiums receivable	75,196,960	(32,495,744)	42,701,216
Unearned premiums carried forward	(34,384,262)	13,288,867	(21,095,395)
Unearned premiums brought forward	23,764,057	(6,271,612)	17,492,445
Change in the provision for unearned premiums	(10,620,205)	7,017,255	(3,602,950)
Premiums earned	64,576,755	(25,478,489)	39,098,266

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

4. Claims incurred, net of reinsurance

	Year ended 31/03/2013		
	Gross £	Reinsurance £	Net £
Claims paid	46,616,735	(16,331,627)	30,285,108
Outstanding claims carried forward	58,049,453	(24,870,395)	33,179,058
Outstanding claims brought forward	(26,640,126)	9,667,195	(16,972,931)
	31,409,327	(15,203,200)	16,206,127
Claims incurred	78,026,062	(31,534,827)	46,491,235
<i>Claims incurred in relation to current year</i>	<i>49,568,829</i>	<i>(22,594,753)</i>	<i>26,974,076</i>
<i>Run off deviations</i>	<i>28,457,233</i>	<i>(8,940,074)</i>	<i>19,517,159</i>

	Nine month period ended 31/03/2012 (As restated)		
	Gross £	Reinsurance £	Net £
Claims paid	20,790,171	(6,139,098)	14,651,073
Outstanding claims carried forward	26,640,126	(9,667,195)	16,972,931
Outstanding claims brought forward	(10,730,630)	2,508,092	(8,222,538)
	15,909,496	(7,159,103)	8,750,393
Claims incurred	36,699,667	(13,298,201)	23,401,466

EICP commissioned a full actuarial valuation of its geographically diverse motor book.

The review was carried out by TW as at 31 December 2012 and 'updated' to 31 March 2013 to coincide with EICP's reporting date.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

4. Claims incurred net of reinsurance (*continued*)

Claims reserves relating to the motor book amount to £52.4 million (2012: £22.9 million).

TW provided EICP with a range of undiscounted best estimates between £54.3 million and £68.3 million (gross of XOL and coinsurance) and £54.9 million and £64.5 million (net of XOL but gross of coinsurance). TW also provided a selected Ultimate of £59.4 million (gross of XOL and coinsurance) and £58.2 million (net of XOL but gross of coinsurance).

The coinsurance share of the selected ultimate is £4.4 million, therefore the TW selected ultimate applicable to EICP is £55.0 million (gross of XOL but net of coinsurance) and £53.8 million (net of XOL and coinsurance).

EICP has set its motor claims reserves at £52.4 million (gross of XOL, but net of coinsurance). The difference to the actuarial selected ultimate is £3.7 million (gross of XOL but net of coinsurance) and £2.7 million (net of XOL and coinsurance). Timing and foreign exchange differences arising from claims payments amount to £0.5 million.

Claims reserves for other lines of business are set at directors' valuation. The directors are confident that the reserves as set are adequate even without taking account of discounting.

5. Net operating expenses

	Year ended 31/03/2013 £	Nine month period ended 31/03/2012 (As restated) £
Acquisition costs	34,429,319	18,079,100
Change in deferred acquisition costs	(4,988,479)	(3,317,044)
Change in reinsurance share of deferred acquisition costs	60,864	1,944,485
Administrative expenses	409,758	1,535,755
Reinsurance commissions and profit participation	(4,999,358)	(8,644,157)
	24,912,104	9,598,139

Administrative expenses include guarantee fund levies net of the reinsurance share.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

6. Other charges

	Year ended 31/03/2013 £	Nine month period ended 31/03/2012 £
Legal and professional fees	6,002,308	1,642,812
Gross wages and salaries	4,103,074	2,322,845
Finance costs	689,194	-
Depreciation of tangible fixed assets	105,509	104,385
Bank charges	88,780	32,458
Goodwill amortisation	76,800	57,600
Auditor's remuneration	65,473	36,095
Bank loan interest payable	28,000	21,000
Other expenses	1,432,197	1,508,772
	12,591,335	5,725,967

Directors emoluments included in gross wages and salaries during the year amounted to £2,240,981 (2012: £1,706,998).

The Group bore the cost of an average thirty-two (2012: twenty-five) employees during the year (including directors).

7. Taxation

	Year ended 31/03/2013 £	Nine month period ended 31/03/2012 £
<i>Current tax</i>		
Gibraltar corporation tax on profit for the year	301,858	347,332
Adjustment in relation to prior period	(149,675)	62,860
	152,183	410,192
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	1,497
	152,183	411,689

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

7. Taxation (continued)

The tax assessed for the period is higher (2012: higher) than the standard rate of corporate tax in Gibraltar of 10%. The differences are explained below:

	Year ended 31/03/2013 £	Nine month period ended 31/03/2012 (As restated) £
(Loss) / profit on ordinary activities before tax	(12,599,800)	2,218,190
(Loss) / profits on ordinary activities multiplied by the standard rate of Corporation tax of 10%	(1,259,980)	221,819
Effects of:		
Expenses not deductible for tax purposes	569,771	120,012
Difference between depreciation and capital allowances	13,276	(5,584)
Income not taxable	(62,462)	(26,191)
Effect of tax losses on subsidiaries	1,041,253	37,276
	<hr/>	<hr/>
Current tax charge for the year	301,858	347,332
	<hr/>	<hr/>

8. Goodwill

	£
Cost	
As at 31 March 2013 and 2012	614,397
	<hr/>
Amortisation	
As at 1 April 2012	364,800
Charged during the year	76,800
	<hr/>
As at 31 March 2013	441,600
	<hr/>
Net book value	
As at 31 March 2013	172,797
	<hr/>
As at 31 March 2012	249,597
	<hr/>

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired in EIG Holdings Limited.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

9. Land and buildings

	£
At the start of the year	1,056,000
Leasehold improvements transferred to land and buildings	329,083
Additions	665,000
As at 31 March 2013	2,050,083

Land and buildings include commercial property units and car parking spaces at Staff Wharf, Queensway Quay, Gibraltar. The commercial property units are being occupied by the Company as offices.

The last open market revaluation on the commercial property units was on 7 June 2011 by Paul Gibson MRICS of Gibsons Chartered Surveyors. The market value of the properties (including cost of options to purchase and excluding parking spaces) was £1,300,000. The Directors consider that the market value of the property is still appropriate.

During the year the Group acquired a residential property in Gibraltar from a director. The property was professionally valued by Gibson Gale Limited on 21 November 2012 at £665,000.

10. Other financial investments

(a) Financial investments (Group)

	As at 31/03/13 £	As at 31/03/12 £
Shares and variable yield securities and units in unit trusts	9,487,127	2,589,854
Debt securities and other fixed income securities	11,275,152	8,341,391
Deposits with credit institutions	-	4,135,718
Other loan	1,500,000	-
	22,262,279	15,066,963

The cost of other financial investments at 31 March 2013 was £21,353,807 (2012: £14,200,798).

Other loans represent 7% fixed rate secured loan notes which are repayable in October 2015. This is secured by way of a charge over certain of the issuer's bank accounts.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

10. Other financial investments (*continued*)

(b) Investments in group undertakings (Company)

	As at 31/03/13 £	As at 31/03/12 £
Investment in EIG Holdings Limited	12,000,000	2,000,000

The investment represents 100% of the ordinary shares in EIG Holdings Limited, a company registered in Gibraltar.

	<i>Country of incorporation</i>	<i>Percentage held by the Company</i>	<i>Cost of the investments £</i>	<i>Capital and reserves £</i>	<i>Profit & loss £</i>
EIG Holdings Limited	Gibraltar	100% (2012: 100%)	12,000,000 (2012: 2,000,000)	22,499,978 (2012; 8,282,822)	1,467,156 (2012; 2,776,017)

This information is based on the subsidiary company's latest audited accounts as at 31 March 2013.

Indirect holdings

<i>Company</i>	<i>Country of incorporation</i>	<i>Percentage held by the Company</i>	<i>Cost of the investments £</i>	<i>Capital and reserves £</i>	<i>Profit & loss £</i>
Enterprise Insurance Company Plc ("EICP")	Gibraltar	99.99% (2012: 99.99%)	23,600,000 (2012: 9,100,000)	17,601,828 (2012: Restated 13,354,148)	(10,427,320) [(2012: Restated (349,039)]
EIG Services Limited	Gibraltar	100% (2012: 100%)	11,000 (2012: 11,000)	1,893,338 (2012: 731,715)	2,661,623 (2012: 3,226,272)
Quality Rating Limited ("QRL")	United Kingdom	100% (2012: 100%)	150,000* (2012: 150,000)	106,142* (2012: 79,413)	33,392* (2012: 20,623)
			£23,761,000 (2012: 9,261,000)		

* Figures are based on unaudited financial statements for the period from 1 July 2012 to 30 June 2013.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

11. Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 April 2012	332,631	1,089,347	119,568	1,541,546
Additions during the year	29,924	22,784	9,350	62,058
Disposals during the year	-	(7,338)	-	(7,338)
Expensed during the year	-	(58,462)	-	(58,462)
Transferred to land and buildings	(362,555)	-	-	(362,555)
At 31 March 2013	-	1,046,331	128,918	1,175,249
Depreciation				
At 1 April 2012	33,472	803,188	34,478	871,138
Charge for the year	-	86,672	26,137	112,809
Eliminated on disposal	-	(3,290)	-	(3,290)
Expensed during the year	-	(7,280)	-	(7,280)
Transferred to land and buildings	(33,472)	-	-	(33,472)
At 31 March 2013	-	879,290	60,615	939,905
Net book value				
At 31 March 2013	-	167,041	68,303	235,344
At 31 March 2012	299,159	286,159	85,090	670,408

12. Cash at bank

During the year, the Group issued a Euro bond on the Frankfurt Stock Exchange (see note 15). As part of the bond issue, the Group is required to generate a cash fund over the term of the bond up to a level equivalent to the principal plus interest payable. As at the year end, the fund stood at £2.0 million and is included in cash at bank. The cash fund is only to be used for the repayment of the principal and interest upon redemption.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

13. Called up share capital

	As at 31/03/13 £	As at 31/03/12 £
<i>Authorised:</i>		
1,000 ordinary shares of £1 each	1,000	1,000
1,000 non-cumulative redeemable preference shares of £1 each	1,000	1,000
	<u>2,000</u>	<u>2,000</u>
<i>Share capital allotted, called up and fully paid:</i>		
500 ordinary shares of £1 each	500	500
200 non-cumulative redeemable preference shares of £1 each	200	200
	<u>700</u>	<u>700</u>

The redeemable preference shares are non-cumulative, non-voting, participating redeemable shares which can be redeemed only at the option of the Company.

14. Reconciliation of shareholders' funds and movements in reserves

Group

	Share Capital £	Share Premium account £	Profit and loss account £	Total £
Balance at 1 April 2012	700	699,550	9,036,942	9,737,192
Prior year adjustments (see Note 1)	-	-	(994,937)	(994,937)
	<u>700</u>	<u>699,550</u>	<u>8,042,005</u>	<u>8,742,255</u>
Balance at 1 April 2012, as restated	700	699,550	8,042,005	8,742,255
Loss for the year	-	-	(12,751,850)	(12,751,850)
	<u>700</u>	<u>699,550</u>	<u>(4,709,845)</u>	<u>(4,009,595)</u>
Balance at 31 March 2013	700	699,550	(4,709,845)	(4,009,595)

The share premium relates to 200 redeemable preference shares of £1 each issued at a premium of £3,497.75 each.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

14. Reconciliation of shareholders' funds and movements in reserves (*continued*)

Company

	Share Capital £	Share Premium account £	Profit and loss account £	Total £
Balance at 1 April 2012	700	699,550	1,020,907	1,721,157
Loss for the period	-	-	(2,267,876)	(2,267,876)
Balance at 31 March 2013	700	699,550	(1,246,969)	(546,719)

15. Debenture loans

In September 2012, the Group offered 35 million Euro bonds on the Frankfurt Stock Exchange. As at the year-end, 23 million Euro bonds have been taken up.

The bonds offer a coupon rate of 7% payable annually in September. The bond has a maturity date of 26 September 2017. The bond has a call option (subject to a three month notice period before 28 September 2015) with an effective date of 28 September 2015 wherein the noteholder can demand repayment of the principal and interest accrued up to exercise date.

Interest payable on the bonds is treated as finance costs in the profit and loss account.

16. Other creditors including taxation and social security

	As at 31/03/13 £	As at 31/03/12 £
Insurance premium tax	4,216,333	3,077,001
Taxation and social security costs	75,861	186,279
Rhone Holdings Limited loan	700,000	700,000
Sundry creditors	179,019	103,537
	5,171,213	4,066,817

The loan from Rhone Holdings Limited is secured via a debenture over the Group's subsidiary, EIG Holdings Limited, and subject to interest linked to the French law administrative rate. The loan is repayable on demand.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

17. (i) Reconciliation of (loss) / profit to net operating cash flows

	Year ended 31/03/2013	Nine month period ended 31/03/2012 (As restated)
	£	£
(Loss) / profit before taxation and minority interest	(12,599,800)	2,218,190
Adjustments for:		
Depreciation	112,809	104,385
Amortisation of goodwill	76,800	57,600
Interest receivable	(566,114)	(257,968)
Interest expense	717,194	21,000
Changes in market values	(41,531)	24,315
Increase in debtors and prepayments	(26,775,855)	(16,243,713)
Increase in net technical provisions	25,503,373	12,353,343
Increase in creditors and accruals and deferred income	14,695,702	7,722,225
Increase in minority interests	175,000	1,737,500
Fixed assets expensed during the year	51,182	-
Loss on disposal of fixed assets	776	-
Net cash inflow from operating activities	1,349,536	7,736,877

(ii) Movement in opening and closing portfolio investments net of financing

	As at 31/03/12 £	Cash flows for the year £	Other movements £	As at 31/03/13 £
Cash at bank and in hand	9,587,317	11,517,790	-	21,105,107
Land and buildings	1,056,000	665,000	329,083	2,050,083
Other financial investments	15,066,963	7,153,785	41,531	22,262,279
Debenture loans	-	(17,825,494)	(167,585)	(17,993,079)
	25,710,280	1,511,081	203,029	27,424,390

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

18. Segmental reporting

	Year ended 31/03/13					
	Motor £	Fire and other damage to property £	Legal expense £	Liability £	Miscellaneous £	Total £
Gross written premiums	106,390,328	240,378	13,989,184	7,189,235	7,000,417	134,809,542
Gross earned premiums	89,072,606	315,559	13,746,688	5,830,752	7,015,277	115,980,882
Gross claims incurred	(70,130,724)	(287,614)	(1,123,224)	(1,371,775)	(5,112,725)	(78,026,062)
Gross operating expenses	(22,946,934)	235,233	(3,738,054)	(1,569,744)	(1,831,099)	(29,850,598)
Other technical income	2,575,261	-	165,501	-	-	2,740,762
Reinsurance balance	(7,981,480)	656	(2,583,626)	(176,527)	(763,342)	(11,504,319)

Premiums written for direct insurance business total £134,771,352 and for reinsurance business £38,189 and have been concluded by the Company in Gibraltar.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

18. Segmental reporting (*continued*)

Nine month period ended 31/03/12 (As restated)						
	Motor £	Fire and other damage to property £	Legal expense £	Liability £	Miscellaneous £	Total £
Gross written premiums	54,574,507	1,792,155	10,007,181	4,503,560	4,319,557	75,196,960
Gross earned premiums	45,014,750	1,917,813	14,185,549	2,259,449	1,199,194	64,576,755
Gross claims incurred	(14,339,292)	(3,075,750)	(2,643,872)	(531,059)	(16,109,694)	(36,699,667)
Gross operating expenses	(15,484,420)	(904,105)	(2,294,689)	(752,540)	(725,033)	(20,160,787)
Other technical income	1,473,133	(753)	123,983	-	-	1,596,363
Reinsurance balance	(3,319,435)	155,966	(2,958,172)	-	641,023	(5,480,616)

Premiums written for direct insurance business total £75,845,258 and for reinsurance business (£648,298) and have been concluded by the Company in Gibraltar.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

19. Related party transactions

Significant transactions during the period and balances at the end of the period with related parties that require disclosure in accordance with Financial Reporting Standard 8, Related Party Disclosures, were as follows:

	Expenses		Amounts due from / (to) parties	
	For the year	For the period	As at	As at
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	£	£	£	£
Rhone Holdings Limited	2,353,000	846,000	(702,333)	(709,333)
Monitor Insurance Services Limited	2,204,663	1,431,500	974	(40,599)
A Flowers	1,900,000	1,075,000	-	-
Aquarius Company Secretaries Limited	19,697	4,765	-	-
Cruz & Co	62,173	25,793	92	(4,000)
PDL International	60,000	45,000	614	-
Bradsure Limited	34,084	-	-	-
Enterprise Hellas	198,730	-	-	-

The amount for Rhone Holdings Limited includes £2,333 (2012: £2,333) accrued interest included in accruals and deferred income account.

A Flowers is a director and a beneficial owner of the Company. During the year, the Group acquired a residential property from A Flowers. The property was independently professionally valued prior to the sale and was acquired at market value. See note 6 for directors emoluments.

Rhone Holdings Limited is a related party by virtue of it being a shareholder of Enterprise Holdings Limited. The rest of the above are considered related parties due to having common directors with the Group during the year.

	Expenses		Amounts due (to)/from parties	
	For the year	For the period	As at	As at
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	£	£	£	£
Eurodommage Assurances S.A	(2,219,235)	-	102,287	-
Andeva Underwriting Agency Limited	(1,721,925)	-	(421,079)	-

The above are considered related parties due to having common ownership with the Group during the year.

Enterprise Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

20. Future rental commitments under operating leases

The Group has annual commitment of £29,494 (2012: £29,494) under a six year non-cancellable operating lease commencing on 4 May 2011.

21. Comparatives

The results shown in the profit and loss account relate to the full year from 1 April 2012 to 31 March 2013. The comparative information shown is for the period from July 2011 to 31 March 2012.

22. Ultimate controlling party

No one individual has a controlling interest in the shares of the Company.