CLAIMS SOLUTIONS PLC

transforming

the motor claims market with our ethical approach

Annual Report and Accounts

For the year ended 30 June 2007

Ai Claims Solutions PLC

is transforming the way that motor insurance claims are handled in a way that benefits everyone: insurers, policyholders, vehicle repair centres, suppliers, intermediaries and the whole insurance market.

86,000
accidents managed on behalf of the UK's leading insurance companies

c.320
staff employed in Blackpool Head Office and Operating Centre

30,000
vehicle replacements provided to insurance policyholders

8 of 20
Partner 8 of the top 20 insurance companies

21,000
accident damage cases managed

95%
customer satisfaction

40,000
vehicles accessible through our rental partners

£1.8m
custom built facilities

Business Overview

Review of the Year

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About Ai Claims Solutions

Ai Claims Solutions provides a range of services covering all the key aspects of any motor insurance claim. These include the management of Accident Management Services, Cost Containment, Claims Recovery, Vehicle Repair, Replacement Vehicles and Personal Injury Claims Management.

We deliver ethical end-to-end claims management solutions

Services that truly benefit both the insurer and the policyholder

WHAT DO WE MEAN BY ETHICAL?

At Ai Claims Solutions we recognise that, in the end, all services are paid for by policyholders. We ensure that the justified needs of claimants are quickly and efficiently delivered. Claims that we submit for payment are settled very rapidly by the market because they are 'fair and reasonable'.

This approach has earned us the confidence from claimants and the paying insurers who know that a claim managed by Ai is fair, justified and comprehensive.

CLAIMS REFERRAL

State-of-the-art Contact Centre
Following motoring accidents, insurance companies, brokers, bodyshops and fleet managers refer their customers to the Ai Claims Solutions Contact Centre. We then manage these claims according to the requirements of our referrers.

Ai Claims Solutions' Contact Centre staff have the expertise and technology to ensure that calls are handled with outstanding efficiency. Our aim is to make contact with 100% of our referred cases within 1 hour.

VEHICLE REPAIR MANAGEMENT

Guaranteed work, rapid response
Our Vehicle Repair Management services actively manage the workflow through our 150-strong network of approved repairers. These strategic partnerships achieve consistent standards as they are managed through Service Level Agreements and regular repairer audits, in conjunction with industry standard estimating controls such as Audatex and Glassmatix. Ai Claims Solutions became the first motor claims management company to mandate the new PAS 125 Kitemark accreditation for its repair network.

LAW

BROKER SOLUTIONS

REPAIR SOLUTIONS

FLEET SOLUTIONS

AUTOMOTIVE SOLUTIONS

A BRIEF HISTORY

- > Listed on AIM in December 1999
- > First accident management company to subscribe to the ABI GTA
- > Founder member of the National Association of Credit Hire Organisations
- > Investor in People Accredited
- > FSA regulated and compliant
- > Regulated by the Ministry of Justice

MISSION AND VALUES

To be the UK's leading outsourcer for the management of motor claims. **Ethical and proactive and open** in our service delivery, we work with the insurers, brokers, fleet owners and automotive clients to provide end-to-end claims management solutions, which provide market leading customer service with an ethos to control claims cost inflation.

OUR SERVICES

We manage motor claims, from the initial incident to final resolution, referred to us by a growing number of leading insurance companies, brokers, bodyshops and fleet companies in the UK.

We also act for insurance companies where they have insured the negligent party, providing cost-predictable claims services, avoiding unnecessary cost escalation.

MOBILITY SOLUTIONS

Keeping policyholders on the road
Ai's Mobility services are managed through a strategic agreement with AVIS. Through AVIS we have access to more than 40,000 vehicles.

A distinction of the Ai service is the proactive management of the hire period with the repairer ensuring we consistently return policyholders back to the road faster than the market average.

PERSONAL INJURY CLAIMS

Rehabilitation Services
Our Personal Injury Claims Management services provides policyholders and other injured parties with access to necessary rehabilitation. Claims are handled professionally and sympathetically. Unnecessary claims are avoided and legal costs are managed through our arrangement with Ai Law.

We comply with the Solicitors' Introduction and Referral Code published by the Law Society.

CREDIT HIRE PAYMENT MANAGEMENT

Claims Recovery
Our Claims Management service ensures that all costs are recovered swiftly. Our strong relationship with almost 100% of the insurance market means we deliver outstanding results – evidenced by market leading 'debtor days'.

Why our ethical business model is a recipe for success

Our approach is to work in partnership with the insurance industry and non-insurance corporates, whose customers are involved in a motor claim, to create a virtuous 'win-win-win' circle. Our model is supported by large scale volume to deliver optimum returns which we then share equitably and openly with our partners.

David Sandhu
Chief Executive Officer

Low cost model

> Efficient and integrated operating platform
> Low cost region
> Process integration with partners to remove duplication
> Efficient capital utilisation through low debt and no vehicle investment

Scale and profitability

> Leveraging fixed cost base
> Supplier terms available with scale
> Scalable supply base through repair, vehicle and legal network

Volume driven

> Partner businesses who offer scalable customer bases
> More attractive returns available to partners due to Ai's lower risk and return on capital requirement

With the sign up of a number of pilot projects and the potential of the progressive conversion of others into contracts we are seeing volumes increase to the levels which support our model.

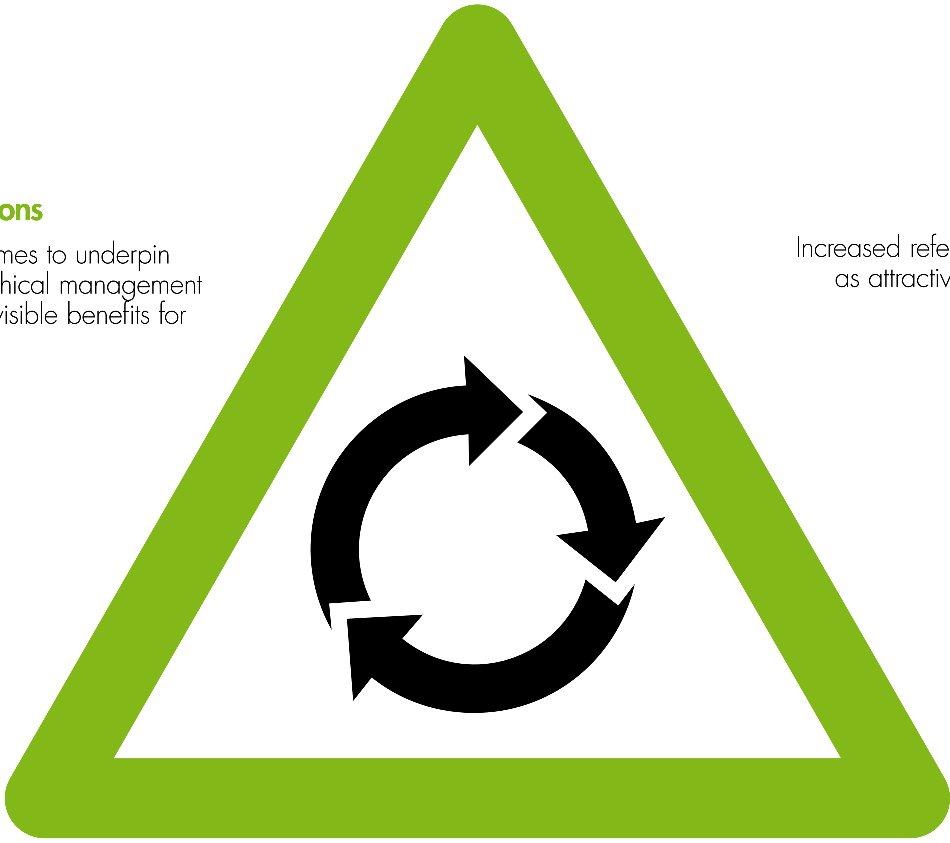
David Sandhu
Chief Executive Officer

Ai Claims Solutions

relies on high volumes to underpin low cost model. Ethical management of claims delivers visible benefits for insurance market.

Partners

Increased referrals are generated as attractive financial benefits are delivered



Policyholders

Benefit from best in class products and service that meets all their needs within stringent service standards.

R£SERVA DEF£NDA mobilisa

As the credit hire market continues to grow and develop, Ai's Reserva and Defenda products and services will become more attractive to insurers to assist them in managing excessive claims cost.

David Sandhu
Chief Executive Officer

Q. Strategy

You have consistently stated that the motor insurance market in the UK is undergoing a period of significant change in the way that policyholders are serviced and third party costs are managed. Are you developing the breadth and depth of your own service offering and, if so, in what ways are you doing this?

A. Ai has broadened its product base, innovating new solutions to the needs of a changing market place. The 'Defenda' product is a clear example of this and provides a high benefit to the insurance market. We are able to operate in any part of the claims cycle and are developing this into new markets such as Broker, Fleet and Motor Manufacturers.

Q. Scale and Profitability

Ai now serves 9 of the top 20 insurers in the UK, which would appear to be one of the strengths of your business. Is there, however, a natural ceiling to the number of blue chip relationships you will be able to establish and is it, therefore, a concern that you may have reached saturation point in terms of doing business at the top end of the market?

A. No. Our distribution strategy enables us to work with all sectors of the insurance industry as well as non-insurance sector corporates whose customers are engaged in a motor claim. The nature of our system's infra-structure and expertise in process management will also enable Ai to continue to broaden its service offering to these clients.

Q. Management

During the last two years you have strengthened your senior management team and main board with the addition of some very experienced people. Do you have plans to continue to add muscle at the top of the company, or do you now feel the business is appropriately resourced in order to deliver your future plans?

A. We have strengthened the team in the last couple of years at board and senior management level and this will continue to enable us to successfully exploit new opportunities.

Q. Investment

Ai has invested significantly in new systems and technology over the last few years. What capability does it give you?

A. We have invested in our offices and call centre to create capacity ahead of volume and provide our people with a state-of-the-art working environment. Our current campus enables us to comfortably grow from 320 to 550 people and our systems can accommodate over 1,000 concurrent users. We have also recently completed the build of our new Claims Administration and Recovery System (CARS). This uses 'Service Orientated Architecture' (SOA) technology and will enable us to provide bespoke process and systems solutions for our partners using a highly efficient platform.
Our own operation will derive efficiency and control benefits from the system through the automation of workflow.

Q. Non-ownership of Fleet

Why don't you have your own fleet and does it create customer hand offs?

A. Our core competency is about managing a broader customer experience and the presentation and recovery of a claim – that's why our debtor days are 55 compared to over 200 in the sector. Secondly we choose to work with well branded expertise who have massive operational scale and seek to earn a fair return on capital for the risks they take – we don't, therefore, have to worry about residual values, vehicle utilisation and funding risks. Finally, there is no more hand off than any other company – AVIS is our 'physically' in-house fleet department; after all, the person dealing with the customer on the phone doesn't then deliver the car.

Q. Corporate Responsibility

We're moving into an era where the importance companies place on their own impact on the environment is increasingly rising. Have you yet been able to establish the environmental credentials of your own company?

A. Our first priority was establishing a response to the use of replacement vehicles. As we don't own our own fleet of vehicles the selection of rental partner was key. AVIS is the first car rental company in the world offering Carbon Neutral driving. AVIS also has a spread of rental depots which enable delivery journeys and CO_2 emissions to be considerably reduced when compared to most of our fleet owning competitors who operate from relatively few regional territories. We have also conducted energy efficiency audits of our operations.

Q. Culture

Ai has especially strong cultural foundations. This has always been one of the cornerstones of the business. Your core values of Partnership, Openness, Responsibility and Sustainability are well established within the market place. To what extent has this culture benefited the business thus far and what are your ongoing plans for continuing to communicate these values to your stakeholders?

A. They are crucial for building trust, which is absolutely critical for any business but particularly so when being entrusted to manage claims and our referrers' customers when they are vulnerable. We offer our partners an open book on what we do and welcome auditing of our service.

Q. Looking Forward

What are your key priorities for the coming year and how is the company going to achieve them?

A. We are continuing to invest to broaden our capability and expertise. We will continue to innovate new service solutions in existing and new distribution channels. We will ensure our operational performance develops the financial and service benefits enjoyed by our partners.

How have we performed?

Operational Highlights

Ai Repair network, the first UK network to mandate the new Industry Kitemark, became fully operational in September 2006.

Ai's dedicated legal service, Ai Law, was fully operational in November 2006.

Build completed for the Claims Administration and Recovery System.

New 'Defenda' product launched, now piloted by six top insurance companies.

Award of major fleet Accident Repair contract.

Financial Highlights

Adjusted PBT (before amortisation of goodwill and FRS 20 charge) increased by 13% to £1.635m (2006: £1.452m).

Hire income grew by 22% mitigating a planned reduction in lower margin repair business which reduced by 36%.

Gross margin increased to 30.0% (2006: 24.8%).

Debtor days (calculated on a count back basis) reduced by 27% to 55 days.

Operating cash flow of £4.0m (2006: £4.8m).

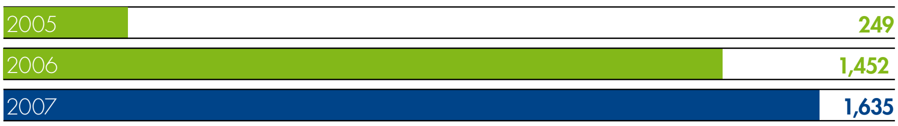
Borrowings reduced by 50% to £1.9m (2006: £3.8m).

Basic EPS (before amortisation of goodwill and FRS 20 charge) increased by 0.47p, or 28%, to 2.16p (2006: 1.69p).

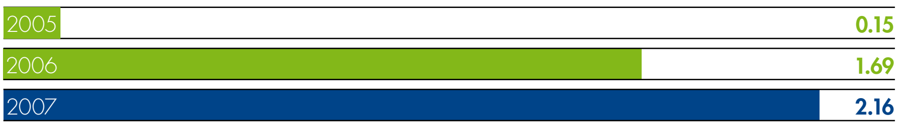
Proposed final dividend increased by 16% to 0.29p per share (2006: 0.25p per share).

Interim and final dividend in respect of 2007 increased by 16% to 0.52p (2006: 0.45p).

Gross margin %



Adjusted profit before tax (£000s)



Adjusted earnings per share (pence)

Debtor days

Group Financial Summary and Highlights

Note: Due to the Group's adoption of FRS 20 for the first time in the year ended 30 June 2007, the results presented below for the year ended 30 June 2006 and year ended 26 June 2005 have been restated. Further details are given in note 25 of the Financial Statements.

	2007 £'000	2006 (restated) £'000	2005 (restated) £'000
Turnover	**34,326**	37,986	36,945
Adjusted profit before taxation			
– before amortisation of goodwill and FRS 20 charge	**1,635**	1,452	249
Profit/(loss) before taxation	**1,001**	865	(483)
Taxation (charge)/credit	**(308)**	(416)	19
Dividend declared in the period	**(295)**	(276)	(153)
Retained profit/(loss) transferred to/(from) reserves	**398**	173	(617)
Earnings per share			
– Basic before amortisation of goodwill and FRS 20 charge	**2.16p**	1.69p	0.47p
– Basic	**1.13p**	0.73p	(0.76)p
Dividend per share	**0.48p**	0.45p	0.25p

CallNorthWest

Winner of the
Best Training Programme award at the 2007 North West Call and Contact Centre Awards.

Chairman's Statement

The Group has delivered a strong trading performance, with an improvement in margin and excellent cashflow. At the same time, we have also continued to invest in new technology and in our team, which underpin Ai's development as an innovative and flexible outsource provider to the motor claims market.

Results

Adjusted profit before tax (before goodwill amortisation and FRS 20 charge) was £1.635m (2006: £1.452m). As anticipated at the interim, the result was weighted toward the second half year, with £1.026m being generated in the second half year compared with £0.609m in the first half year.

In line with our expectations, turnover expanded by 32% within the second half compared to the first half, although it was 10% lower at £34.3m (2006: £38.0m) for the full year. Hire turnover increased by 22% compared with the previous year and repair turnover reduced by 36% due principally to a change in contract mix towards higher margin vehicle replacement services and as a result of pricing actions. Turnover in the second half increased by 15% compared to the second half of last year. Our full year gross margin increased from 24.8% to 30% as a result of these changes and through the successful establishment of Ai's own repair network and dedicated legal service.

Our cash generation continued to be strong with £4m generated from operating activities. Our debtor days, which we calculate using the countback method, average 55 days (2006: 75 days) which compares very favourably to the sector. Again this is a testament to the relationship we have with the large insurance companies and the strategic focus we have placed on this activity during the year.

Net borrowings reduced by £1.9m during the year, after absorbing £1.5m of capital expenditure on IT and infra-structure development to support the growth in headcount and the final stages of development of the new Claims Administration and Recovery System (CARS).

Strategy

There has been real momentum in the non-fault market, with most insurers now piloting the provision of like-for-like vehicle replacement. Insurance company participation in the non-fault market has provided considerable growth opportunities for credit hire companies, albeit at lower margins, and for ourselves. Ai continues to lead the way in providing motor insurers and other clients within the motor sector with a genuine partnership based approach to outsourcing, bringing not only an open-book relationship, but a willingness to share with its clients the financial rewards that can be obtained. Ai has consistently taken the view that it must work seamlessly with and in the interests of the motor insurance market which it serves. The thrust of Ai's whole philosophy is, and always has been, based on a sustainable and ethical business model where the interests of all parties are valued and protected, namely those of our clients, staff and shareholders.

Our ability to collect our debts much more rapidly than credit hire companies, several of which are now trying to move into this space, coupled with the lack of a heavy vehicle fleet financing cost, which, for some of our competitors is likely to be aggravated by the current credit environment, means that we can realise attractive returns on capital, whilst actively competing on price.

Ai has supported insurers in piloting services in the non-fault sector and two new relationships came on stream during the year. We maintain strong trading relationships with both these businesses.

As a result of the increased penetration of credit hire within the insurance sector, insurers are increasingly seeking solutions to stem the increase in third party claims. We have provided an intervention product (Reserva, formerly Predicta) for several years to manage claims proactively on behalf of insurers, thus avoiding credit hire costs, and those insurers who use this service find that it provides a more effective and financially attractive alternative to in-house claims teams. During 2007, using our unique and demonstrable track record of keeping a tight grip on credit hire periods, we also extended our product range to include a market leading service 'Defenda' which actively manages credit hire bills, saving insurers an attractive proportion of invoices submitted by credit hire companies. This has received a significant level of interest from insurers and we are working with 6 leading insurers.

Our development of fee based services continued with the award of a 3 year contract from one of the UK's largest fleet operators to manage the repair of damage to their UK fleet and recover losses from at fault parties.

Our business principle of delivering excellent service and cost containment is now widely recognised in the motor accident market. Our investment in technology over the last two years will be realised through the launch of the new CARS system in October. This will provide the capability to re-engineer business processes and rapidly deliver efficient and readily adaptable workflow based systems solutions for our referrer clients.

Across our whole product range we are currently working for three top five personal motor insurers and eight top twenty personal motor insurers and a further eight clients with activities in the motor sector generally.

Management and Board Changes

As part of our growth and continuing development as a significant outsourcer to the motor insurance sector, we continue to strengthen the management of Ai at all levels.

Steve Broughton, previously a Non-Executive Director, was appointed Non-Executive Deputy Chairman on 26 July 2007 replacing Adrian Palmer, who remains a Non-Executive Director. Steve has excellent insurance industry credentials as a Non-Executive Director of Fortis UK and formerly as an Executive Director of RSA.

Don Bergenroth, who has been a Director since January 2005, will be retiring from the business on 30 September 2007, stepping down from the Board at that time. I would like to thank Don for his contribution to Ai and wish him well for the future. Commercial activities will be led by Chris Brown, who joined Ai as a Director of the trading subsidiary in June 2007. Chris previously held senior roles at AXA and RSA.

There have been a number of other successful changes at the operating company level all of which are designed to enhance and deepen Ai's strength and ability to add value across the whole motor insurance market.

Dividends

The Board is pleased to propose a final dividend of 0.29p per share for the year to 30 June 2007 to be paid on 7 January 2008 to shareholders on the register at 14 December 2007, an increase in the year of 16%, taking total dividends in respect of 2006 – 07 to 0.52p – also an increase of 16% over the previous year.

Future Prospects

Ai continues to work closely with the motor sector in developing innovative solutions bespoked to the needs of our clients. These provide excellent service to both them and their customers, minimisation of cost to the market as a whole and generate significant financial benefits either through direct containment of their costs or sharing of revenue streams according to the type of service chosen by our clients.

I am pleased with the progress made during the year and am confident that we can continue to innovate and deliver value adding services to the sector. The number of Ai's products and services actively in use by insurers and the wider motor sector has increased from fifteen at the end of last year to twenty seven at the time of writing and the current high level of tender activity from insurers is expected to generate additional opportunities for Ai. Although the market has become more competitive, predominantly in vehicle hire, we expect that our lean operating and financing structure will assist us in maintaining our margins.

It is a testament to our people and the commitment shown by them across all levels of the business that this progress has been achieved and I pass on my sincere thanks on behalf of the Directors.

Charles A Good
Chairman
10 October 2007

"The Group's strategy of working positively with the insurance market to contain claims costs has again assisted collection activity."

P Harrison, Finance Director

"The thrust of Ai's whole philosophy is, and always has been, based on a sustainable and ethical business model where the interests of all parties are valued and protected."

C Good, Chairman

Partnership

is what makes us truly different

Our relationships with our insurer partners continue to develop, based around agreeing joint business plans and regular performance reviews.

Being innovative in product development (e.g. Defenda), provision of market leading MI and sharing financial rewards with our partners all help to contribute towards building long term relationships.

Developing a strong partnership with our supply network is also key to our success. We hold frequent review meetings with AVIS' senior management team and work closely with their on-site 'implant' team.

Our repair network relationships are also key to us and we ensure there is regular dialogue so that service standards are adhered to.

Chief Executive's Review

I am pleased to report a 13% increase in adjusted PBT and further strengthening of the balance sheet through excellent cash management. The market has moved considerably during the year and Ai has proven its ability to innovate new solutions and services for its clients. Our emphasis on developing an attractive return on our capital has shown through in a significant change in the mix of our business and strengthening of margins.

Market Developments

The motor insurance market has again been challenged in terms of delivering acceptable underwriting returns with premium rates and acquisition costs being consistent features in the insurance press. The anticipated development of insurer interest in using a third party service to provide like-for-like replacement vehicles to their not at fault customers has reached its tipping point and now most insurers are actively piloting some form of service or have contracted for the service in some form. As part of Ai's offer to this market we have branded this service 'Mobilisa'. This non fault business is being keenly contested and margins will be squeezed by the increasing commission rates or discounts on credit hire case settlements being sought by insurers and the typically lower vehicle hire durations. This 'income' effectively subsidises the increase in third party claims which have also pressurised underwriting margins.

We believe higher commission levels will ripple through the non-insurance sector of the market as contracts are re-tendered or benchmarked. Ai is well placed to compete competitively both in the delivery of excellent service and on price. Our 'thin capital' model, whereby we operate on a relatively small working capital requirement and without a large amount of capital tied up in a fleet of vehicles, means we can achieve attractive returns on capital whilst being able to price for competitive operating margins.

The development of the insurer placed non-fault sector will also increase further the cost of third party claims. This in turn is heightening the need for more pro-active management of these costs, whether provided internally or outsourced. Ai has been working closely with the insurance sector further to develop the claims intervention service provided. In response to this challenge, Ai has relaunched its 'Predicta' product as 'Reserva', the product that controls excessive third party claims costs. We have also introduced a credit hire defence product, 'Defenda', for instances where the insurer has not been successful at intervening, which actively manages the credit hire claim to settlement. This has generated considerable market interest.

Ai continues to actively work with credit hire operators (CHOs) and insurers on the ABI GTA Technical Committee to ensure stability and understanding in the market.

Business and Commercial Development

In my last report I indicated that we would broaden our distribution strategy launching divisions in the broker, fleet and automotive sectors. I am pleased to report good headway in each of these areas.

In the fleet sector we won the tender to manage the claims and repairs of a major fleet. This requires us to manage 15,000 incidents culminating in placing an additional 5,000 repairs per annum into our repair network. We have also recruited a sales team to service the automotive market and are developing our referral streams from a low base. Early signs are very positive in both the fleet and automotive sectors with strong relationships developing with manufacturers.

Our broker division has been piloting with a major UK firm and Ai's credentials and service offering are known to the wider intermediary market. Not surprisingly, much of this sector is already contracted to CHOs, however Ai is developing strong relationships and coupled with our strong commission offers and effective customer centric model I remain confident of significant progress in this new area for Ai.

Within the insurance sector we commenced a significant Mobilisa pilot with a major insurer providing access to approximately 12,000 cases per annum. This pilot has proven to be very successful and we have extended the relationship to broaden our service offering further. Our Defenda product has received much market interest and we are actively piloting this with 6 insurers. Our services have been successful in delivering attractive savings against the invoices presented from credit hire companies, adding significant value to those insurers using this service. Ai's ability to report on differences in working practises and invoicing protocol is proving extremely beneficial to insurers. Whilst this new product is in its infancy, only commencing in February this year, it is very encouraging that so many insurers have found it so beneficial. We have continued to grow the intervention service, Reserva, achieving a 30% increase in referrals during the year as new insurer relationships came on stream.

As the credit hire market continues to grow and develop, Ai's Reserva and Defenda products and services will become more attractive to insurers to assist them in managing excessive claims cost.

I am pleased to report that the launch of Ai Law and Ai Repair Network delivered the customer and financial benefits anticipated. Ai became the first motor claims management company to mandate the new PAS 125 Kitemark accreditation. AVIS became our strategic rental partner from 1 November 2006 and I am pleased with the supply of vehicles and seamless service achieved. It is a key feature of our service that customers are placed in new vehicles delivered by a partner who is a recognised consumer brand.

We completed the build of the new Claims Administration and Recovery System (CARS) in June 2007 and it will go live in October 2007. This system, which has required significant capital expenditure over the last two years, employs state of the art 'Open System Architecture' technology, which will provide us with the flexibility to rapidly bespoke processes for our partners and enable full automation with our financial system.

Ai is well placed to compete competitively both in the delivery of excellent service and on price.

David Sandhu
Chief Executive Officer

"It is a key feature of our service that customers are placed in new vehicles delivered by a partner who is a recognised consumer brand."

D Sandhu, Chief Executive Officer

"The new Claims Administration and Recovery System (CARS) employs state-of-the-art Open System Architecture technology, which will provide us with the flexibility to rapidly bespoke processes for our partners."

D Sandhu, Chief Executive Officer

INVESTOR IN PEOPLE

Openness

is a cornerstone of our culture

Our open book approach with customers ensures that we provide a transparent account of each arrangement, which creates a high level of trust with them. The quality and frequent production of MI builds confidence in our performance management. We also encourage customer audits of our operation so that we can use the results to drive improved performance.

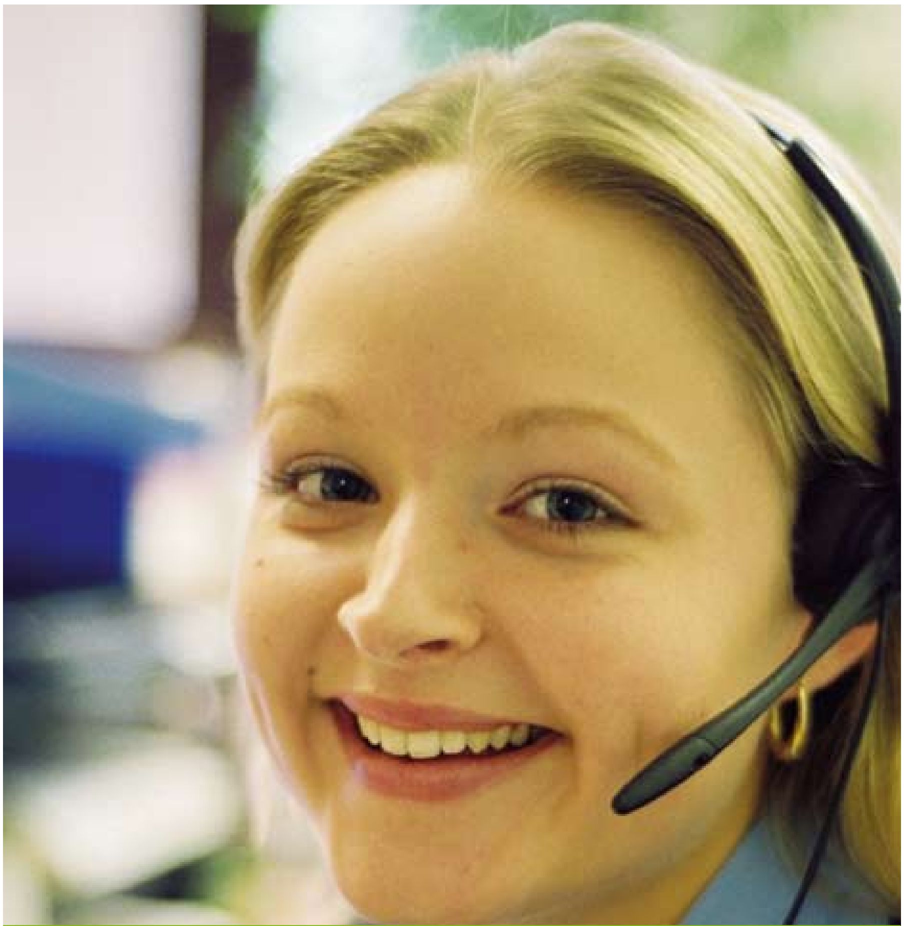
Staff communication and development continues to be key to Ai. Our engagement and involvement of staff is successfully managed by initiatives such as our Staff Forum, Employee Surveys, Directors' Question Time and regular team meetings.

"Ai was short listed for The Training Award at the British Insurance Awards."

D Sandhu, Chief Executive Officer

"Through our partnership with AVIS, we operate a carbon neutral policy for vehicle replacement."

P Harrison, Finance Director



Corporate Responsibility

is a priority in everything we do

95%

Customer satisfaction

Our business operates in a sector which contributes to climate change through the provision of replacement vehicles. Through our partnership with AVIS, we operate a carbon neutral policy for vehicle replacement.

We have an important role to play in our approach to the genuine needs of motor accident victims and the insurance sector who pay for the cost of the claims. We have voluntarily subscribed to the FSA's principles of Treating Customers Fairly and through engaged participation of our staff have embedded this in our processes and training.

Our staff are trained to be competent in handling motor claims and receive specific training to assist in the requirements of disabled motorists. We assess competency through the year.

We promote good and fair relations with our employees through a very active Staff Forum and invest in providing an excellent working environment. Ai is Investors in People accredited.

We also recognise our responsibility to the local community and the mutual benefit this can bring. We support local education through governorship of schools by senior management and work closely with several local charities.

Chief Executive's Review (continued)

People

Ai has continued to strengthen the senior management team during the year to support the development of the business. At subsidiary company board level, Chris Brown joined us as Sales Director in June 2007. Chris has held senior roles at AXA and Royal & Sun Alliance and is responsible for developing our sales and relationships across all areas of the business. Chris will assume the management responsibilities of Don Bergenroth who retires as Commercial Director on 30 September 2007. Don was appointed to the Board in January 2005 and has played a key role in developing Ai's commercial position as well as developing the Ai brand. I wish Don much success in the future and thank him for his contribution to the business.

We also strengthened the wider management team through three further appointments. Ewan Moore joined us in January 2007 as Group Financial Controller. Paul Davis from RSA and Robin Yeung from CIS joined the business in June 2007, as Head of Operations and Claims Manager respectively.

Ai actively invests in the development of its staff. I reported last year that we had developed the Talent Academy to provide MBA type development in the workplace under the mentoring of the Executive Directors. The first group of nine successfully completed the course and have all shown significant personal development during the last 12 months, which equipped most of them to take on new roles within the business – showing a real return for the investment we made. The programme received public recognition in that Ai was short listed for The Training Award at the British Insurer Awards. A second group of employees joined the academy during July 2007.

Operational Performance

Referral levels increased overall by 24% during the year. Intervention referrals increased by 30% and non-fault referrals by 23%. Courtesy hires reduced by 12%. Hire conversion levels were consistent with the previous year across the whole book.

Our hire durations reduced across both the intervention and non-fault products from 20 days in 2006 to 18 days in 2007. A key benefit of the intervention product is a reduction in both the daily rate and duration for hire vehicles and it is important that we continue to reduce these through ongoing improvements in process. Our non-fault durations have been influenced by disciplined repair supply chain management, leading to a quicker turn round of repairs and shortening of the time customers are parted from their own vehicles.

In turn this leads to a reduction in Ai's debtor days as our claims are less likely to be disputed. It is pleasing to see a further reduction in our debtor days from 75 days to 55 days as a testament to this.

Our full time equivalent employees increased by 15% against a background of a 24% growth in referrals. Our efficiency levels will continue to strengthen as we grow and through the implementation of the new CARS system.

Ai has shown resilience by quickly scaling for growth in the period. The growth opportunities in the market continue to be significant. We have produced comprehensive and detailed plans to ensure we are able to again scale up, significantly and quickly, to absorb significant new opportunities.

The operational feedback from customers and referrers continues to be excellent and we again achieved over 95% satisfaction rating from our own surveys.

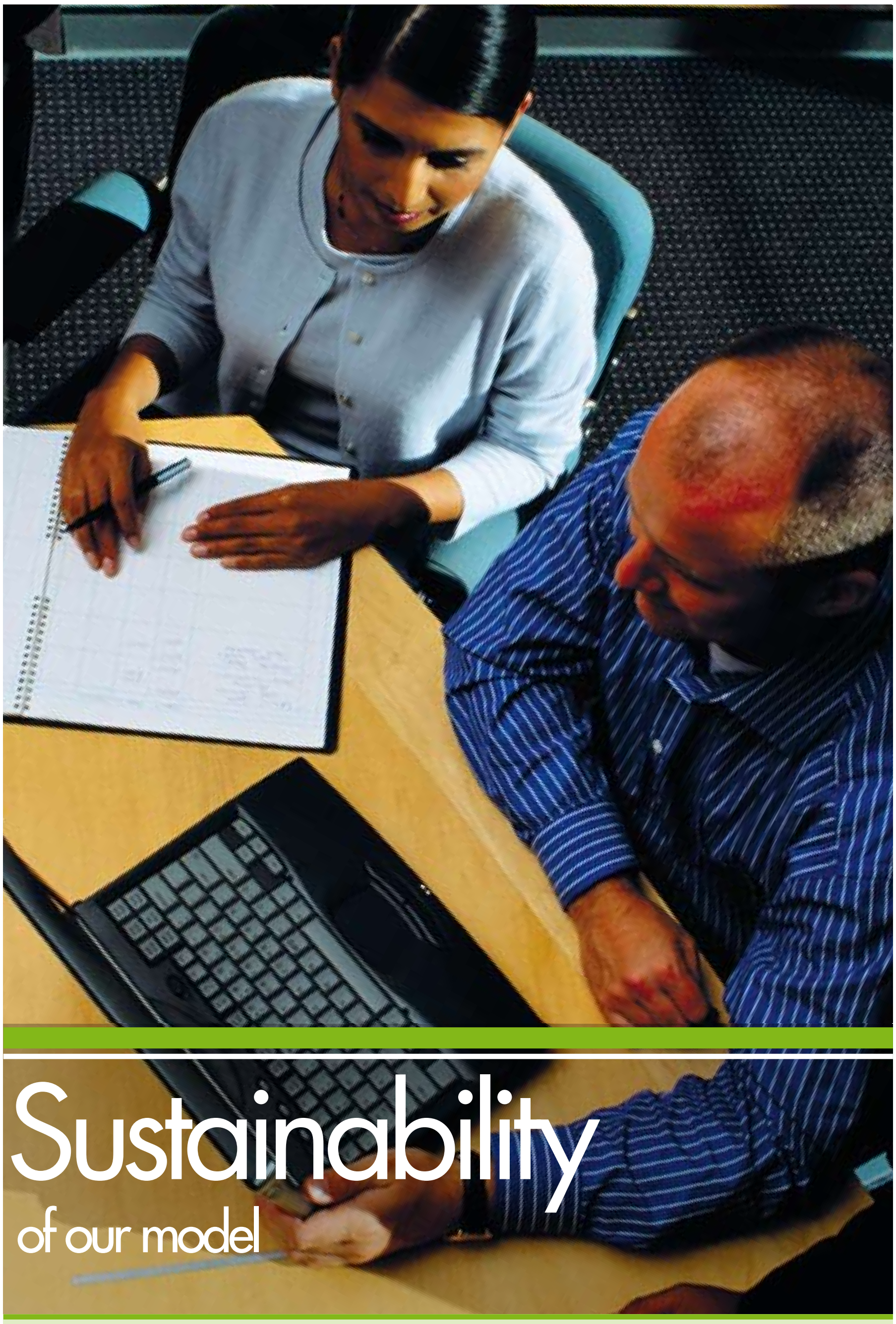
Outlook

The successful launch of Ai Repair and Ai Law and the progress achieved in the new divisions has provided a broader customer base and pipeline potential covering all areas of after accident management. I believe Ai continues to be well positioned to take advantage of opportunities as they present themselves and adapt to the evolving market of after accident care.

David Sandhu
Chief Executive

Ai has continued to strengthen the senior management team during the year to support the development of the business.

David Sandhu
Chief Executive Officer



Sustainability
of our model

The Ai business model continues to be based on a sustainable and ethical approach, where the interests of all parties are valued and protected.

Our ability to collect our debts (average debtor days 55 days) much quicker than credit hire organisations (NACHO members average >120 days), coupled with the lack of a high vehicle fleet financing cost, means that we can achieve attractive returns on capital, whilst being very competitive on price.

Investment in staff development continues to be key to our success, as recently highlighted by the recent award of 'Best Training Programme' at the 2007 Call North West Awards and being one of the finalists at the British Insurance Awards for our 'Talent Academy' initiative.

"Ai continues to lead the way in providing motor insurers and other clients within the motor sector with a genuine partnership based approach to outsourcing."

C Good, Chairman

"Ai is well placed to compete competitively both in the delivery of excellent service and on price."

D Sandhu, Chief Executive Officer

Finance Director's Review

Restatement of Prior Period Results
The annual report has been prepared using accounting policies that are consistent with those adopted in the statutory accounts for the period ended 30 June 2006 other than the adoption of FRS20 (Share based payments). Adoption of a policy consistent with this standard is required in accordance with United Kingdom best practice. The impact of this policy is shown in note 25 to the financial statements.

Financial Overview
The Group generated a pre-tax profit of £1.001m in the year (2006: £0.865m), an increase of 16%. Pre-tax profit before goodwill amortisation and FRS 20 charge was £1.635m (2006: £1.452m).

Turnover of £34.3m reduced by 10% over the previous year due to the cessation of a low margin repair only contract in the previous period. Hire revenue increased by 22% compared to the previous year. These changes together with the retention of higher margins through the Ai Repair network and Ai Law improved gross margins to 30% from 24.8%.

Administrative expenses of £9.1m increased by 11% over the previous year reflecting a growth in headcount of 15% and higher depreciation charges. Underlying referral levels increased by 24% across the whole business. The growth in employees is disproportionate to the movement in turnover due to the replacement of repair cases by hire cases and the treatment of a major fleet repair management contract as a fee based service.

Interest
Interest charges reduced by 47% to £213,000 (from £401,000) due to a 50% reduction in net debt in the period of £1.9m to £1.9m.

Taxation
The Group does not expect to pay Corporation Tax in relation to the current year due to the availability of tax losses brought forward from prior periods. The tax charge in the year benefited from the utilisation of unrecognised losses brought forward. As a result of the Group generating a profit in the year, the deferred tax asset held in the balance sheet reduced by £308,000 to £745,000.

Earnings Per Share
Basic Earnings Per Share (EPS) increased by 0.40p to 1.13p (2006: 0.73p). Adjusted EPS, which measures EPS before goodwill amortisation and FRS 20 charge, increased by 0.47p to 2.16p (2006: 1.69p).

Dividends
The dividends declared from reserves of £295,000 reflects the payment of a final dividend in relation to the previous period of £153,000 (0.25p per share paid in January 2007) and an interim dividend for the current period of £142,000 (0.23p per share paid in May 2007). The Board have proposed the payment of a final dividend for the year of £178,000 (0.29p per share), payable on 7 January 2008 to shareholders on the share register at 14 December 2007.

Under 'FRS 21' Events after the balance sheet date only dividends declared in a financial period are reflected in the financial statements for that period. Accordingly, the proposed payment of £178,000 is not reflected in these Financial Statements.

Cashflow and Working Capital
The Group has generated a significant improvement in its cash position during the year. Net cash inflow from operating activities was £3.95m (2006: £4.83m). The improvement is attributable to an improvement in underlying profits and focused management of billings and collections.

The Group's strategy of working positively with the insurance market to contain claims costs has again assisted collection activity. Our investment in working capital largely consists of billed and unbilled receivables, the latter being incomplete cases. The value of trading current assets (excluding deferred tax) was £13.2m at 30 June 2007, compared to £12.4m in the previous year, an increase of 6%. Our trading creditors (including VAT) provided £10.9m of funding at 30 June 2007 compared to £8.6m in the previous year, an increase of 27%. The rate of debtor increase in relation to creditors is due to the improvement in debtor days to 55 days from 75 days (27% reduction), a second half increase in turnover of 15% compared to the previous year and more beneficial supply terms obtained in relation to hire compared to repair. This means that Ai's working capital requirement is approximately 22 days revenue compared to 41 days in the previous period.

Fixed Assets
Fixed asset additions of £1.6m reflects the continued investment made in software for the new Claims Administration and Recovery System and employee growth related equipment costs. The new system will enhance the data exchanges we have with our partners and improve service levels, efficiency and control over our entire operation through streamlined processes and workflow management. The system will be brought into use in October 2007.

Capital Structure and Financing
Proceeds from share issues generated £12,000 during the year upon the exercise of share options.

Net debt stands at £1.9m (2006: £3.8m). Debt consists of a bank overdraft of £570,000 and structured finance in the form of a property loan and computer leases. The Group has a revolving overdraft funding facility with Yorkshire Bank for up to £10m.

Interest charges on the overdraft and property loan are variable, linked to Yorkshire Bank's base rate.

Financial Risk Management
The Group does not enter into derivative transactions nor trade in financial instruments. The main risk arising from financial instruments is interest rate risk, linked to movements in Yorkshire Bank's base rate.

The Group enters into contracts with customers, for which vehicle provision and repair labour prices may be prescribed for periods of up to 12 months. The Group secures supply arrangements with rental companies and repairers to mitigate the impact of volatility in prices over broadly similar periods. In relation to non-fault hires, the company is a subscriber to the ABI's General Terms of Agreement (GTA). GTA rates are agreed between insurers and credit hire companies annually. When pricing contracts the company takes account of key potential sensitivities.

Interest Rate Risk
The Group finances its operations from a mixture of equity, bank borrowings and lease financing. The Group borrows at floating rates of interest 1 – 2% above Yorkshire Bank base rate. No interest rate caps or swaps are used to manage exposure to interest rate fluctuations.

Liquidity Risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of short and long term debt finance.

Implementation of International Financial Reporting Standards
As an AIM listed company the Group is required to report under International Financial Reporting Standards (IFRS) for the year ended 30 June 2008. The Group will issue re-stated financial statements for the year ended 30 June 2007 during December 2007.

Peter J Harrison
Group Finance Director

Board of Directors

Executive Directors

1 David Sandhu
Chief Executive Officer
David became CEO in July 2006, having previously been Group Managing Director (from July 2005) and Director of Claims and Operations. Prior to joining Ai in October 2000 he spent twelve years working in the claims teams of various insurers including Bishopsgate, GRE, AGF and Fortis – specifically dealing with complex claims. In the two years prior to joining Ai he was responsible for Fortis policy on credit hire. A statistician by background, David has a particular interest in operational research. He is also an executive member of NACHO, and a member of the ABI GTA Technical Committee, and is a regular speaker at industry events.

2 Peter Harrison FCA
Group Finance Director
Peter joined Ai as Group Finance Director in September 2005. He is a chartered accountant and a MBA from Manchester Business School. He qualified with Touche Ross & Co and as a senior manager had a broad portfolio of plc clients. He has extensive financial services and general insurance expertise gained with Aviva, where as a Director of Finance he was responsible for the financial management and control of the UK Insurance business, playing a leading role in the integration of the Norwich Union and CGU businesses and the acquisition of London & Edinburgh Insurance. Peter also led the commercial finance team in the UK Life business prior to joining Royal & Sun Alliance as UK Financial Control and Reporting Director.

3 Don Bergenroth
Commercial Director
(resigned 30 September 2007)
Don was appointed to the Board in January 2005. He is a qualified professional sales and marketing individual and has previously held plc board positions with Adams Foods, Nabisco/Smith Foods and ABF-Burtons Foods prior to forming his own consultancy business within MSPI Group working with a wide variety of clients in all major classifications of commerce in the UK, Europe, Asia, the Pacific and Africa.

Non-Executive Directors

4 Charles Good
Chairman
Charles is Executive Chairman of Matrix Corporate Capital LLP. He is a former Chairman of Ely Fund Managers and Managing Director of Dexia Private Banking UK. He is Chairman of Hurricane Exploration Plc, a North Sea exploration company, and Non-Executive Chairman of Gallega Capital LLP, an investment manager. He is a former Chairman of Blooms of Bressingham (listed on AIM up to its purchase by West Coast Capital Group in March 2007) and Non-Executive Director of Citigate Group Plc and Huntsworth Plc, leading public relations companies. Charles has developed a long and successful track record in advising and growing small to medium sized companies.

5 Steve Broughton
Deputy Chairman
Steve was appointed to the Board on 24 January 2005, bringing a wealth of experience across the whole of the insurance market. On 26 July 2007 Steve was appointed Deputy Chairman, taking over from Adrian Palmer. He has held main board positions with Royal & Sun Alliance UK, Polaris UK Limited, Swinton Insurance Limited and Motor Insurers Bureau (MIB), and is currently a Non-Executive Director on the board of Fortis UK, SSP Holdings Plc, Sun Alliance and London Pension Fund Limited. Steve is Chairman of the Nominations Committee.

6 Christopher Baker
Non-Executive Director
Chris is an experienced corporate strategist with more than twenty years' experience working at director level with Hill Samuel, Coopers and Lybrand and Littlewoods. He is Chairman of Business Liverpool, Deputy Chairman of Jacques Vert Plc and a Non-Executive Director of Park Group Plc and the Training and Development Agency for Schools. Chris is the senior independent director and chairs the Audit and Remuneration Committees.

7 Adrian Palmer
Non-Executive Director
Adrian has eighteen years' experience at main board or Chief Executive Officer level, mainly with public companies, and became Deputy Chairman of Ai in July 2005. Prior to this Adrian was Chief Executive Officer for six years. He has previously held numerous main board positions in the motor industry, including Chief Executive Officer of Group Lotus. Adrian is also Non-Executive Chairman of Direct Valeting Limited and, from July 2007, Non-Executive Director of Car Shop Limited, IOM.

Executive Management

Jim Monteith FCMA
Technical Services Director
Jim's main areas of responsibility are operations, vehicle supply, repair/engineering and fleet development. Jim was Managing Director of Fleet Accident Repair Group Limited for 6 years before joining Ai in 2006. He is also a former Group Commercial Director of Scorpion Group. Since joining Ai Jim has led the successful establishment of Ai's own repair network.

Chris Brown MBA, FCII
Sales Director
Chris joined Ai in June 2007 and is responsible for exploiting opportunities in the insurer, broker, automotive and fleet channels. Formerly with RSA for 16 years, where his last position was as Regional Director (Midlands and West), Chris also spent 3 years at AXA as Sales Director and National Broker Director. Chris achieved the rank of Major in the Territorial Army.

Chris Shaw
Head of Claims
Chris rejoined Ai in April 2006 and is responsible for the strategic operation of the Claims department including product development, industry relations and debtor management. Chris was previously Claims Manager at Willis and has over 13 year's industry knowledge. At Ai Chris designed, developed and implemented Ai Law in 2006 and our recent new credit hire defence product 'Defenda' in 2007.

Ewan Moore ACA
Group Financial Controller
Ewan qualified as a chartered accountant at Deloitte & Touche where he had a number of PLC clients. Before joining Ai in January 2007 Ewan held positions such as Director of Finance for shared services and Head of Financial Planning at MyTravel. He was also involved in the creation and development of their online businesses and formulating distribution and cost reduction strategies. Ewan is responsible for the day to day management of the Ai finance function.

Paul Davis MA
Head of Operations
Paul has worked for a number of companies prior to joining Ai in 2007 including BT, Philips, Sainsbury's and latterly 8 years with RSA. During his time at RSA he held a number of roles as diverse as managing operational teams, broker proposition development and head of RSA's insurance college training on technical claims, underwriting and business skills.

Robin Yeung
Claims Manager
Robin joined in June 2007 and oversees the day to day running of the claims department. Prior to joining Ai he held several roles at CIS, including Senior Claims Negotiator, Assistant Manager and key project management roles within the Claims Transformation Programme, rolling out a new claims system and restructuring the claims network from 18 satellite offices to 4. His most recent role was as Customer Service Manager in the Manchester Claims Centre, which he helped to set up and subsequently managed.

Remuneration Report

The remuneration policy of Ai is to devise a salary and benefits package that enables the Company to attract and retain high calibre Directors that will enable it to achieve its goal of creating very substantial growth.

The remuneration package for Executive Directors comprises the following elements:

1. Basic salary.
2. Benefits, principally private medical insurance for the Directors and their family.
3. Car allowance and pension allowance.
4. Participation in an annual bonus scheme.
5. Participation in longer term incentivisation arrangements.

Remuneration for the Executive Directors is determined by a Remuneration Committee which is a committee of the Board established with written terms of reference. Christopher Baker is Chairman of the Committee and its other members are Charles Good and Steve Broughton; David Sandhu, as CEO, attends by invitation.

Remuneration for the Non-Executive Directors is determined by the whole Board. Adrian Palmer became Non-Executive on 1 April 2006 and in addition to his fees he continued to receive further benefits during a transitional period until November 2006. Apart from Adrian Palmer, Non-Executive Directors do not receive benefits apart from fees and do not participate in any bonus schemes.

The Remuneration Committee met three times during the year.

Basic Salary, Benefits and Allowances
Basic salary and benefits packages for the Executive and Non-Executive Directors are reported in note 3 to the Financial Statements.

Service contracts for the Executive Directors are currently twelve months.

Annual Bonus and Longer Term Incentivisation Arrangements
The Company's policy is to have an annual bonus scheme supplemented by longer term incentivisation arrangements which together reward Executive Directors for achieving growth in the short, medium and longer term.

An annual bonus scheme was established for 2006/07 based on achieving targeted levels of profit before taxation, goodwill amortisation, FRS20 charge and exceptional items. This bonus scheme would pay up to a maximum of 100% of base salary if the defined profit before taxation measure reaches a predetermined amount. Executive Directors participate in this scheme pro-rata to the period in which they are full time employees. The bonuses payable in respect of the year are shown in note 3.

As part of the Company's longer term incentivisation arrangements, the Executive Directors are encouraged to acquire a meaningful equity stake in the business. With this objective:

1. A grant of share options was made in October 2006 under previously existing share option arrangements. These share options are detailed in note 3.
2. A new share option scheme under the terms of the Equity Management Incentive ('EMI') scheme was approved by shareholders in December 2006 and EMI share options were granted on 6 December, 2006; these EMI options are detailed in note 3.
3. A new Long Term Investment Plan (LTIP) was also approved by shareholders in December 2006. The first awards under this scheme are expected to be made following the preliminary announcement of results for the year to June 2007.

The share options, EMI options and LTIP awards granted will vest on the third anniversary of the grant, subject to the Executive Director remaining in post and subject to the achievement of medium-term performance conditions which are shown in detail in note 3 to the Financial Statements.

Christopher J Baker
Remuneration Committee Chairman
10 October 2007

Report of the Directors

Report of the Directors
The Directors present their report and the audited Financial Statements for the year ended 30 June 2007.

Principal Activities
The Group provides a range of services covering all the key aspects of any motor insurance claim. These include the management of Accident Management Services, Cost Containment, Claims Recovery, Vehicle Repair, Replacement Vehicles and Personal Injury Claims Management.

Business Review and Future Developments
A detailed review of the business is contained within the Chairman's Statement and the Finance Director's Review.

Results and Dividends
The Directors recommend the payment of a final dividend of 0.29p per share to shareholders on the share register at 14 December 2007. Trading in shares will go ex-dividend on 12 December 2007 and payment will be made to shareholders on 7 January 2008.

The total dividend declared in the year ended 30 June 2007 was £295,000.

Donations
Charitable donations of £2,035 (2006: £2,688) were made during the period. No political contributions were made during the year.

Directors
The present membership of the Board and their biographical details are set out on pages 46 and 18 respectively. The Directors retiring by rotation are David Sandhu and Charles Good, who being eligible offer themselves for re-election at the AGM. The interests of those persons who were Directors at the year end in the shares of the Company were as follows:

	Ordinary shares of 10p each 30 June 2007	Ordinary shares of 10p each 30 June 2006
C A Good	**9,677,440**	9,199,940
A M Palmer	**91,235**	91,235
D B Sandhu	**54,675**	13,735
P J Harrison	**67,530**	–
D B Bergenroth	**1,000**	–
C J Baker	**20,000**	10,000
S W Broughton	**119,495**	41,479

Directors' interests in share options are shown in note 3 to the accounts.

Save as disclosed above the Directors have no interests in the shares of other Group companies that require disclosure under the Companies Act 1985.

The Company has not been notified of any changes to the above shareholdings up to 8 October 2007.

Insurance of Directors
The Company maintains insurance policies for the Directors in respect of their duties as Directors of the Company and the Group.

Substantial Interests
The Company has been advised under Section 202 of the Companies Act 1985 of the following interests exceeding 3% in the share capital of the Company as at 8 October 2007 in addition to the Directors' interests noted above.

	Number of shares	Percentage of issued share capital
Chase Nominees Limited/Bluehone Investors LLP	**16,587,619**	27.0%
Ari Charles Zaphiriou-Zarifi	**8,708,930**	14.2%
Nordea Bank SA	**5,834,651**	9.5%
David Michael Gorton	**4,931,302**	8.0%
HSBC Global Custody Nominees (UK)	**2,200,000**	3.6%

Payment of Creditors
The Company's policy for all suppliers is to fix terms of payment when agreeing the terms of each business transaction to ensure that the supplier is aware of these terms, and to abide by the agreed terms of payment. The number of days trade creditors for the Company was 25 (2006: 26).

Corporate Governance and Risk Management
As the Company is listed on AIM, the Combined Code disclosures are not compulsory and consequently the Directors and auditors do not report on compliance with the Code. Disclosures are given indicating selective aspects relating to the Code, but non-compliances are not disclosed.

The Board currently comprises the Non-Executive Chairman, three Executive Directors and three other Non-Executives.

The Directors have established an Audit Committee, consisting of the Non-Executive Directors, to receive reports from management and the auditors on the interim and annual accounts. A Remuneration Committee and a Nominations Committee have also been established and details on Directors' remuneration are shown in note 3 to the accounts. Membership of the Committees are indicated on page 46.

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness whilst the role of management is to implement Board policies on risk management and control. It should be recognised that the Group's system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives and can only provide reasonable, and not absolute, assurance against material misstatement and loss.

The controls operated include, but are not limited to, the annual planning and budgeting process, a clearly defined organisational structure with authorisation limits, reviews by senior management of weekly operating information and weekly and monthly financial data compared with planned activity.

The Group has identified and manages its key business risks and has a Business Continuity Plan (BCP) in place.

Financial Instruments

The Group's financial instruments comprise some borrowings, cash and various items such as trade debtors and creditors that arise directly from its operations. These are discussed in further detail on pages 35 – 37.

Disabled Persons Policy

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee Consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the factors affecting the performance of the group and company, through regular meetings of a Staff Forum and Director Question Time.

Statement of Directors' Responsibilities for the Annual Report

The Directors are responsible for preparing the Annual 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

> select suitable accounting policies and then apply them consistently
> make judgments and estimates that are reasonable and prudent
> state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements
> 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

> there is no relevant audit information of which the company's auditors are unaware; and
> the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

RSM Robson Rhodes LLP merged its audit practice with that of Grant Thornton UK LLP with effect from 2 July 2007, with the successor firm being Grant Thornton UK LLP. RSM Robson Rhodes LLP resigned as auditors on 17 July 2007, creating a casual vacancy which the Directors have filled by appointing Grant Thornton UK LLP. A resolution to reappoint Grant Thornton UK LLP as auditors of the Group will be proposed at the forthcoming Annual General Meeting.

Approval

The Report of the Directors was approved by the Board on 10 October 2007 and signed on its behalf by

Peter J Harrison
Group Finance Director

Report of the Independent Auditor to the Members of Ai Claims Solutions PLC

We have audited the Group and Parent Company Financial Statements (the 'Financial Statements') of Ai Claims Solutions PLC for the year ended 30 June 2007 which comprise the principal accounting policies, the Consolidated Profit and Loss account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and notes 2 to 26. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the Financial Statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the Financial Statements. The information given in the Directors' Report includes that specific information presented in the Chairman's Statement and the Finance Director's Review that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited Financial Statements. This other information comprises only the Directors' Report, the Chairman's Statement, the Chief Executive's Review, the Finance Director's Review, the Remuneration Report, and the Five Year Summary. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion:

> the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the Parent Company's affairs as at 30 June 2007 and of the Group's profit for the year then ended;

> the Financial Statements have been properly prepared in accordance with the Companies Act 1985; and

> the information given in the Directors' Report is consistent with the Financial Statements.

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Manchester, England

12 October 2007

Consolidated Profit and Loss Account

For the year ended 30 June 2007

	Note	Year ended 30 June 2007 £'000	Year ended 30 June 2006 (Restated) £'000
Turnover	2	**34,326**	37,986
Cost of sales		**(24,043)**	(28,566)
Gross profit		**10,283**	9,420
Administrative expenses		**(9,069)**	(8,154)
Group operating profit – before amortisation of goodwill		**1,753**	1,805
Amortisation of goodwill		**(539)**	(539)
Group operating profit	5	**1,214**	1,266
Interest payable and similar charges	6	**(213)**	(401)
Profit on ordinary activities before taxation		**1,001**	865
Tax on profit on ordinary activities	7	**(308)**	(416)
Profit after taxation	18	**693**	449
Basic EPS	9	**1.13p**	0.73p
Diluted EPS	9	**1.12p**	0.73p

All operations are continuing.

Consolidated Statement of Total Recognised Gains and Losses

For the year ended 30 June 2007

	Note	Year ended 30 June 2007 £'000	Year ended 30 June 2006 (Restated) £'000
Profit for the financial year		**693**	449
Prior year adjustment relating to employee share options		**(63)**	
Total recognised since the last report		**630**	

Consolidated Balance Sheet
at 30 June 2007

	Note	30 June 2007 £'000	30 June 2006 (Restated) £'000
Fixed assets			
Intangible assets	10	**6,187**	6,726
Tangible assets	11	**4,601**	3,666
		10,788	10,392
Current assets			
Debtors	13	**13,906**	13,442
Cash at bank and in hand		**6**	4
		13,912	13,446
Creditors: Amounts falling due within one year	14	**(11,669)**	(11,156)
Net current assets		**2,243**	2,290
Total assets less current liabilities		**13,031**	12,682
Creditors: Amounts falling due after one year	15	**(1,126)**	(1,282)
Net assets		**11,905**	11,400
Capital and reserves			
Called up share capital	17	**6,142**	6,136
Share premium account	18	**1,579**	1,573
Other reserve	18	**158**	63
Profit and loss account	18	**4,026**	3,628
Equity shareholders' funds	19	**11,905**	11,400

The Financial Statements were approved by the Board on 10 October 2007 and signed on its behalf by:

David Sandhu
Director

Peter J Harrison
Director

Company Balance Sheet
at 30 June 2007

	Note	30 June 2007 £'000	30 June 2006 (Restated) £'000
Fixed assets			
Intangible assets	10	**247**	265
Tangible assets	11	**1,566**	1,624
Investments	12	**3,638**	3,622
		5,451	5,511
Current assets			
Debtors	13	**3,788**	3,524
Cash at bank and in hand		**4**	4
		3,792	3,528
Creditors: Amounts falling due within one year	14	**(116)**	(117)
Net current assets		**3,676**	3,411
Total assets less current liabilities		**9,127**	8,922
Creditors: Amounts falling due after one year	15	**(1,064)**	(1,108)
Net assets		**8,063**	7,814
Capital and reserves			
Called up share capital	17	**6,142**	6,136
Share premium account	18	**1,579**	1,573
Other reserve	18	**158**	63
Profit and loss account	18	**184**	42
Equity shareholders' funds	19	**8,063**	7,814

The Financial Statements were approved by the Board on 10 October 2007 and signed on its behalf by:

David Sandhu
Director

Peter J Harrison
Director

Consolidated Cash Flow Statement

For the year ended 30 June 2007

	Note	Year ended 30 June 2007 £'000	Year ended 30 June 2006 (Restated) £'000
Net cash inflow from operating activities	20	**3,950**	4,832
Returns on investment and servicing of finance	21	**(213)**	(401)
Capital expenditure	21	**(1,565)**	(1,151)
Equity dividends paid		**(295)**	(276)
Net cash inflow before financing		**1,877**	3,004
Financing			
– proceeds of issue of shares		**12**	13
– repayment of hire purchase and lease financing		**(234)**	(221)
– bank loan		**(49)**	(25)
Net cash outflow from financing		**(271)**	(233)
Increase in cash in the period		**1,606**	2,771

Reconciliation of Net Cash Flow to Movement in Net Debt

For the year ended 30 June 2007

	Note	Year ended 30 June 2007 £'000	Year ended 30 June 2006 (Restated) £'000
Increase in cash in the period		**1,606**	2,771
Cash outflow from decrease in hire purchase and lease financing		**234**	221
Cash outflow from bank loan		**49**	25
Movement in net debt from cash flows in the period		**1,889**	3,017
New finance leases incepting in the period		**–**	(415)
Change in net debt		**1,889**	2,602
Opening net debt		**(3,814)**	(6,416)
Closing net debt	22	**(1,925)**	(3,814)

Notes to the Financial Statements
for the year ended 30 June 2007

1. Accounting policies

Basis of Accounting
The Financial Statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting Convention
The Financial Statements are prepared under the historical cost convention.

Consolidation
The consolidated Financial Statements incorporate the Financial Statements of the Company and all subsidiary undertakings, together with the group's share of the net assets and results of associated undertakings and joint ventures. The Financial Statements of all group companies are adjusted, where necessary, to ensure the use of consistent accounting policies. Acquisitions are accounted for under the acquisition method. The results of companies acquired or disposed of are included in the group profit and loss account from or up to the date that control passes respectively.

A separate profit and loss account for the Parent Company is not presented with the group Financial Statements as permitted by section 230 of the Companies Act 1985.

Goodwill
Positive goodwill is the excess of the cost of an acquired entity over the aggregate of the fair values of that entity's identifiable assets and liabilities. Positive goodwill relating to acquisitions made since 1 January 1999 is shown in the balance sheet as an asset. Positive goodwill, where treated as an asset, is amortised evenly over its estimated useful economic life subject to a maximum of 20 years. Periods between 12 and 20 years are used for all existing goodwill. In addition to systematic amortisation, the book value is written down to recoverable amount when any impairment is identified.

Tangible Fixed Assets
Depreciation is provided on cost less residual value in equal annual instalments over the estimated useful lives of assets in use. Assets in the course of construction are not depreciated. Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit.

The rates of depreciation are as follows:

Leasehold land and buildings	–	30 years
Leasehold improvements	–	over the period of the lease
Computer equipment and telephone systems	–	20% to 33% per annum
Plant, fittings and equipment	–	20% per annum

Income Recognition
Credit hire and repair income and income derived from other accident management services, are recognised on transactions which have completed during the period, together with an appropriate proportion of income in respect of ongoing hires and repairs and work in progress at the period end, less claims write offs and movements in provisions for under recovery from insurers. Income earned from insurers under the GTA penalty payments regime when claims are settled late is only recognised when received. Income from referrals of personal injury cases to third parties are recognised in the period a referral is made to the extent that a right to consideration arises. Turnover is recorded exclusive of VAT.

Hire Purchase and Leases
Assets held under hire purchase and finance lease agreements and the related obligations are recorded in the balance sheet at the fair value of the assets at the inception of the agreement. The amounts by which the hire purchase and lease payments exceed the recorded obligations are treated as finance charges which are amortised over each agreement term to give a constant rate of charge on the remaining balance of the obligation. Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions
The Company and Group operate a defined contribution pension scheme for Directors and staff. The assets of the scheme are invested and managed independently of the Company and Group. The pension cost charge represents the contributions paid and payable in the year.

Deferred Taxation
The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax balances are not discounted.

Dividends
Dividend distributions payable to equity shareholders are included in current liabilities when the dividends are approved in general meeting prior to the balance sheet date.

Financial Assets
Financial assets and liabilities are recognised on the Group's balance sheet as and when the Group becomes a party to the contractual provisions of the instrument.

Share Based Payments
The Group has applied the requirements of FRS20, Share Based Payments. The Group issues equity settled share based payments to certain directors and employees. The fair value of these payments is expensed over the vesting period based on an estimate of when shares will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

2. Analysis of turnover, operating profit and net assets

The Directors consider that the activities of the Group represent a single business segment, being the provision of an outsourced claims management solution to motor insurers.

The location and destination of all turnover, operating profits and net assets was the United Kingdom.

3. Directors

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Directors' emoluments:		
Salaries, fees and benefits	**578**	706
Contributions to money purchase pension scheme	**18**	30

Analysis of Emoluments of Directors:

	Salary and fees £'000	Bonus £'000	Benefits £'000	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Executive					
D B Sandhu	137	16	12	**165**	151
P J Harrison #	112	13	15	**140**	107
D B Bergenroth ^	102	11	12	**125**	122
A M Palmer*	–	–	–	**–**	153
G M Orme #	–	–	–	**–**	68
Non Executive					
C A Good	38	–	–	**38**	38
A M Palmer*	25	12	21	**58**	15
C J Baker	27	–	–	**27**	27
S W Broughton	25	–	–	**25**	25
	466	52	60	**578**	706

* A M Palmer became a Non-Executive on 1 April 2006.

G M Orme resigned on 30 September 2005. P J Harrison was appointed on 12 September 2005.

^ D B Bergenroth resigned on 30 September 2007.

Contributions to money purchase pension schemes were as follows:

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
D B Sandhu	**10**	9
P J Harrison	**8**	6
A M Palmer	**–**	12
G M Orme	**–**	3
	18	30

The number of Directors accruing benefits under a money purchase scheme was 2 (2006: 4).

3. Directors (continued)

Directors' Share Options

The following options are outstanding under the Company's unapproved and approved share option schemes. All options were granted at market value at the date of grant.

	At 1 July 2006	Number of options granted during the year	Number of options cancelled during the year	At 30 June 2007	Exercise price (pence)	Normally exercisable
A M Palmer	940,830	–	–	940,830	42.00	2002 to 2009
A M Palmer	193,333	–	–	193,333	19.00	2003 to 2010
A M Palmer	150,000	–	–	150,000	16.00	2004 to 2011
A M Palmer	100,000	–	–	100,000	27.50	2006 to 2013
A M Palmer	100,000	–	–	100,000	30.50	2007 to 2014
D B Sandhu	33,333	–	–	33,333	19.00	2003 to 2010
D B Sandhu	100,000	–	–	100,000	16.00	2004 to 2011
D B Sandhu	67,500	–	–	67,500	25.00	2005 to 2012
D B Sandhu	150,000	–	–	150,000	27.50	2006 to 2013
D B Sandhu	100,000	–	–	100,000	30.50	2007 to 2014
D B Sandhu	350,000	–	–	350,000	24.25	2008 to 2015*
D B Sandhu	–	165,000	–	165,000	18.50	2009 to 2016
P J Harrison	250,000	–	–	250,000	24.25	2008 to 2015*
P J Harrison	–	135,000	–	135,000	18.50	2009 to 2016
D B Bergenroth	250,000	–	–	250,000	24.25	2008 to 2015*
D B Bergenroth	–	35,000	–	35,000	18.50	2009 to 2016

None of the above share options were exercised by the Directors during the period.

The market price of the shares at 30 June 2007 was 28.75p and the high and low for the year were 33.00p and 15.00p respectively.

* These share options granted during 2005/06 will vest:

1. in full if the average share price (based on mid market prices derived from the Stock Exchange Daily Official List) for the 90 days preceding 23 December 2008 is at least 50.00p; or
2. in full if cumulative earnings per share before goodwill amortisation and exceptional costs or revenue, calculated under UK GAAP, in the three years to June 2008 reach or exceed 10.00p; or as to 50% if cumulative EPS on the same basis reaches 7.50p, increasing proportionately up to 10.00p.

In addition to the options detailed above, the following options are outstanding under the Company's Enterprise Management Incentive (EMI) scheme. All options were granted at middle market price at the date of grant.

	At 1 July 2006	Number of options granted during the year	Number of options cancelled during the year	At 30 June 2007	Exercise price (pence)	Normally exercisable
D B Sandhu	–	291,667	–	291,667	24.00	2010 to 2017
P J Harrison	–	265,000	–	265,000	24.00	2010 to 2017
D B Bergenroth	–	65,000	–	65,000	24.00	2010 to 2017

For the above options, the condition for the shares to vest in full will be the achievement of:
- Either EPS for the year ending 30 June 2009 (after tax, but before goodwill amortisation and exceptional items, calculated under UK GAAP) of at least 5.10p; or
- The share price (based on average mid market prices derived from the Stock Exchange Daily Official List) for the 90 days preceding the preliminary announcement of the result for that year being at least 50.00p.

In the event that:
- Either EPS for the year ending 30 June 2009 (calculated on the same basis as above) reaches at least 3.4p; or
- The share price for the 90 days preceding the preliminary announcement of the result for that year (calculated on the same basis as above) has averaged at least 33.00p,

vesting will take place as to 50% of the full amount and pro-rata for achievement of amounts above that on whichever basis produces the greater vesting.

EMI options will not vest unless an amount equal to at least 10% of the director's salary for the year ended 30 June 2007 has been invested in LTIP shares.

Further details concerning share based payments are given in note 26 to the Financial Statements.

4. Employees

Staff costs, including Executive Directors, during the period were as follows:

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 (Restated) £'000
Wages and salaries	**4,536**	3,682
Social security costs	**441**	404
Other pension costs (defined contribution scheme)	**98**	87
FRS 20 charge	**95**	48
	5,170	4,221

Average monthly number of persons employed:

	No	No
Operations and claims	**196**	160
Administration and selling	**60**	63
	256	223

The Directors are the only employees of the Parent Company

5. Group operating profit

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Operating profit is stated after charging/(crediting):		
Operating lease rentals		
Plant and Machinery	**158**	266
Land and Buildings	**206**	183
Auditors' remuneration:		
Fee payable to the Company's auditor for the audit of the annual Financial Statements	**7**	7
Audit of the Financial Statements of the Company's subsidiary pursuant to legislation	**32**	32
Other services pursuant to legislation – regulatory reporting	**7**	7
Other services relating to taxation – compliance and advice	**9**	10
Services relating to information technology	**7**	15
Amortisation of goodwill	**539**	539
Depreciation of tangible fixed assets		
Owned assets	**344**	273
Leased assets	**288**	158
FRS 20 charge	**95**	48
Profit on disposal of tangible fixed assets	**(2)**	–

6. Interest payable and similar charges

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Interest on bank loans and overdrafts	**181**	325
Hire purchase and finance lease costs	**32**	71
Other interest	**–**	5
	213	401

7. Taxation

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Deferred taxation		
Net origination of timing differences	**308**	416
Tax charge on profit on ordinary activities	**308**	416

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 (Restated) £'000
Current tax reconciliation		
Profit on ordinary activities before taxation	**1,001**	865
Theoretical tax at UK corporation tax rate of 30% (2006: 30%)	**300**	260
Effects of:		
Expenditure not tax deductible	**229**	142
Utilisation of losses	**(286)**	(495)
Accelerated capital allowances	**(178)**	12
Short term timing differences	**(65)**	67
Movement on deferred tax not provided	**–**	14
Actual current taxation charge	**–**	–

The Group's effective rate of tax in the future will be influenced by the Group's ability to recover unrelieved losses and any changes in the standard rate of corporation tax.

8. Dividends

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Equity dividends – Ordinary shares of 10p each		
– Interim dividends declared and paid of 0.23p per share (2006: 0.20p)	**142**	123
– Final dividends declared and paid of 0.25p (2006: 0.25p)	**153**	153
	295	276

The directors propose a final dividend of £178,000 (0.29p per ordinary share) payable on 7 January 2008. The accounts for the year do not reflect the proposed dividend which will be treated as an appropriation of profit in the accounts to 30 June 2008.

9. Earnings per share

	Year ended 30 June 2007			Year ended 30 June 2006 (Restated)		
	Earnings £'000	Weighted average number of shares '000	EPS p	Earnings £'000	Weighted average number of shares '000	EPS p
FRS 22 basis						
Basic earnings per share	**693**	**61,416**	**1.13**	449	61,332	0.73
Dilutive effect of options	**–**	**247**	**(0.01)**	–	174	–
Diluted earnings per share	**693**	**61,663**	**1.12**	449	61,506	0.73
Adjusted to exclude goodwill amortisation and FRS20 charge						
Basic – FRS 22 basis	**693**	**61,416**	**1.13**	449	61,332	0.73
Goodwill amortisation	**539**	**–**	**0.88**	539	–	0.88
FRS20 charge	**95**	**–**	**0.15**	48	–	0.08
Adjusted basic earnings per share	**1,327**	**61,416**	**2.16**	1,036	61,332	1.69
Dilutive effect of options	**–**	**247**	**(0.01)**	–	174	(0.01)
Adjusted diluted earnings per share	**1,327**	**61,663**	**2.15**	1,036	61,506	1.68

Adjusted earnings per share calculated on post tax earnings before goodwill amortisation and FRS20 charge is reported above to inform market professionals and investment analysts who will include this measure as part of their assessment of the Group's financial performance for the period.

10. Intangible assets

The Group

Goodwill

	£'000
Cost	
At 1 July 2006 and 30 June 2007	11,697
Amortisation	
At 1 July 2006	4,971
Charged in the period	539
At 30 June 2007	5,510
Net book value	
At 30 June 2007	**6,187**
At 30 June 2006	6,726

The Company

Goodwill

	£'000
Cost	
At 1 July 2006 and 30 June 2007	366
Amortisation	
At 1 July 2006	101
Charged in the period	18
At 30 June 2007	119
Net book value	
At 30 June 2007	**247**
At 30 June 2006	265

11. Tangible fixed assets

	Leasehold land and buildings £'000	Computer equipment £'000	Plant, fixtures and equipment £'000	Assets in the course of construction £'000	Total £'000
The Group					
Cost					
At 1 July 2006	2,038	1,536	741	586	4,901
Additions	3	326	163	1,079	1,571
Disposals	–	(11)	–	–	(11)
At 30 June 2007	2,041	1,851	904	1,665	6,461
Depreciation					
At 1 July 2006	146	696	393	–	1,235
Disposals	–	(7)	–	–	(7)
Charge for year	89	407	136	–	632
At 30 June 2007	235	1,096	529	–	1,860
Net book value					
At 30 June 2007	**1,806**	**755**	**375**	**1,665**	**4,601**
At 30 June 2006	1,892	840	348	586	3,666

Assets in the course of construction represent initial third party and internal costs incurred for the replacement of the Group's operational and claims system, which is scheduled to be implemented during 2007/08. Further capital has been committed as set out in note 24 for replacement of the Group's operational and claims systems.

Tangible fixed assets include computer and telecommunications equipment held under finance lease agreements. At 30 June 2007 the net book value of all such assets was £258,924 (2006: £547,315); the depreciation charge in the year to date relating to such assets was £288,391 (2006: £158,244).

	Leasehold land and buildings £'000
The Company	
Cost	
At 1 July 2006 and 30 June 2007	1,719
Depreciation	
At 1 July 2006	95
Charge for year	58
At 30 June 2007	153
Net book value	
At 30 June 2007	**1,566**
At 30 June 2006	1,624

12. Investments

	FRS 20 related investment in subsidiary (restated) £'000	Shares in group undertakings £'000	Total £'000
The Company			
Cost			
At 1 July 2006	13	4,414	4,427
Additions – FRS 20 related investment in subsidiary	16	–	16
At 30 June 2007	**29**	**4,414**	**4,443**
Provisions			
At 1 July 2006 and 30 June 2007	–	805	805
Net book value			
At 30 June 2007	**29**	**3,609**	**3,638**
At 30 June 2006	13	3,609	3,622

The FRS 20 Related Investment in the subsidiary relates to the share based payments made to subsidiary employees.

Principal subsidiaries	Parent and Group interest in ordinary shares and voting rights	Principal activity
Ai Claims Solutions (UK) Limited	100%	Accident Management
Colegate Vehicle Hire Limited	100%	Dormant
Motor Hire (Diss) Limited	100%	Dormant
Colegate Accident Assistance Limited	100%	Dormant

On 22 January 2007 Auto Indemnity (UK) Limited changed its name to Ai Claims Solutions (UK) Limited.

Ai Claims Solutions (UK) Limited provides a range of services covering all the key aspects of any motor insurance claim. These include the management of Accident Management Services, Cost Containment, Claims Recovery, Vehicle Repair, Replacement Vehicles and Personal Injury Claims Managements.

All companies are incorporated in England and Wales.

Ai Claims Solutions (UK) Limited has a year end consistent with Ai Claims Solutions PLC. Colegate Vehicle Hire Limited, Motor Hire (Diss) Limited and Colegate Accident Assistance Limited, which are dormant companies, also have a year end consistent with Ai Claims Solutions PLC.

13. Debtors

	Group		Company	
	30 June 2007 £'000	30 June 2006 £'000	30 June 2007 £'000	30 June 2006 £'000
Trade debtors	**8,538**	8,319	**–**	–
Amounts owed by group undertakings	**–**	–	**3,625**	3,422
Other debtors	**807**	406	**66**	81
Prepayments	**649**	691	**–**	–
Accrued income	**3,167**	2,973	**–**	–
Deferred tax asset	**745**	1,053	**97**	21
	13,906	13,442	**3,788**	3,524

13. Debtors (continued)

The deferred tax asset consists of:

	Group		Company	
	30 June 2007 £'000	30 June 2006 £'000	30 June 2007 £'000	30 June 2006 £'000
Accelerated capital allowances	**(191)**	6	**–**	–
Short term timing difference	**59**	124	**–**	–
Losses	**877**	923	**97**	21
	745	1,053	**97**	21

	Group £'000	Company £'000
Balance at 30 June 2006	1,053	21
Amount (charged)/credited to profit and loss account	(308)	76
Balance at 30 June 2007	**745**	**97**

All debtor balances fall due within one year other than the deferred tax asset which is expected to be recovered in part over more than one year. In addition to the deferred tax balances recognised in the Financial Statements and detailed above, the Company and the Group have unrecognised deferred tax asset balances of £nil (2006: £232,000) in respect of unutilised losses brought forward.

14. Creditors: Amounts falling due within one year

	Group		Company	
	30 June 2007 £'000	30 June 2006 £'000	30 June 2007 £'000	30 June 2006 £'000
Hire purchase and finance lease obligations	**186**	308	**–**	–
Bank overdraft	**570**	2,174	**–**	–
Bank loan	**49**	54	**49**	54
Borrowings	**805**	2,536	**49**	54
Trade creditors	**2,231**	3,146	**10**	3
Other taxation and social security	**2,161**	2,142	**–**	–
Other creditors	**58**	17	**21**	20
Accruals	**6,414**	3,315	**36**	40
	11,669	11,156	**116**	117

Hire purchase and finance lease obligations are secured on the assets financed.

The Group has a bank overdraft incorporating a revolving credit facility and property loan with Yorkshire Bank. These are secured by a fixed and floating charge over the assets of the Group.

The Company has entered into an unlimited cross guarantee with a subsidiary company and a legal mortgage and mortgage debenture in relation to banking facilities with Yorkshire Bank. At 30 June 2007 borrowings subject to this guarantee amounted to £570,000 (2006: £2,174,000).

The bank loan is repayable over 13 years 6 months and interest is payable at 1.5% over Yorkshire Bank's base rate.

15. Creditors: Amounts falling due after one year

	Group		Company	
	30 June 2007 £'000	30 June 2006 £'000	30 June 2007 £'000	30 June 2006 £'000
Hire purchase and finance lease obligations	**62**	174	**–**	–
Bank loan	**1,064**	1,108	**1,064**	1,108
	1,126	1,282	**1,064**	1,108

The maturity of obligations under hire purchase and finance leases and on the bank loan are as follows:

	Group		Company	
	30 June 2007 £'000	30 June 2006 £'000	30 June 2007 £'000	30 June 2006 £'000
Within one year	**186**	308	**–**	–
Within one to two years	**62**	114	**–**	–
Within two to five years	**–**	60	**–**	–
Hire purchase and finance lease obligations	**248**	482	**–**	–
Within one year	**49**	54	**49**	54
Within one to two years	**49**	54	**49**	54
Within two to five years	**147**	162	**147**	162
After five years	**868**	892	**868**	892
Bank loan	**1,113**	1,162	**1,113**	1,162

16. Financial assets and liabilities

The Board policy on derivatives and financial instruments is explained in the Finance Director's Review.

The only financial asset, excluding debtors due within one year, material enough to warrant disclosure is cash at bank, which attracts interest at rates which vary with prevailing bank rates. All amounts are held in sterling. In the opinion of the directors, the fair value of these financial assets and the Group's financial liabilities is not materially different to their book value.

The bank overdraft bears interest at variable rates linked to Yorkshire Bank's base rate.

The total amount of the Group's committed facilities available as at 30 June 2007 was up to a maximum of £10 million expiring in one year or less (2006: £10m expiring in one year or less).

The hire purchase and finance lease arrangements are all at fixed rates of interest. The weighted average rate is 4.42%. The majority of hire purchase and finance lease arrangements are three years.

17. Share capital

	30 June 2007 £'000	30 June 2006 £'000
Authorised		
85,000,000 Ordinary shares of 10p each (2006: 85,000,000)	**8,500**	8,500
Allotted, called up and fully paid		
61,416,189 Ordinary shares of 10p each (2006: 61,357,022)	**6,142**	6,136

During the period 59,167 share options were exercised at 19.76p and new shares issued for cash on 24 May 2007.

18. Capital and reserves

	Share capital £'000	Share premium account £'000	Other reserve (Restated) £'000	Profit and loss account (Restated) £'000	Total £'000
The Group					
Balance at 30 June 2006 (as previously stated)	6,136	1,573	–	3,691	**11,400**
Prior year adjustment	–	–	63	(63)	**–**
Balance at 30 June 2006 (as restated)	**6,136**	**1,573**	**63**	**3,628**	**11,400**
Profit for period	–	–	–	693	**693**
Dividend declared in the period	–	–	–	(295)	**(295)**
FRS 20 charge	–	–	95	–	**95**
Issue of new share capital	6	6	–	–	**12**
Balance at 30 June 2007	**6,142**	**1,579**	**158**	**4,026**	**11,905**
The Company					
Balance at 30 June 2006 (as previously stated)	6,136	1,573	–	92	**7,801**
Prior year adjustment	–	–	63	(50)	**13**
Balance at 30 June 2006 (as restated)	**6,136**	**1,573**	**63**	**42**	**7,814**
Profit for period	–	–	–	437	**437**
Dividend declared in the period	–	–	–	(295)	**(295)**
FRS 20 charge	–	–	95	–	**95**
Issue of new share capital	6	6	–	–	**12**
Balance at 30 June 2007	**6,142**	**1,579**	**158**	**184**	**8,063**

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company has not been separately presented in the Financial Statements. During the accounting period the Company made a profit before dividends of £437,000 (2006: profit of £116,000).

Share options

The following options are outstanding under the Company's unapproved, approved and EMI share option schemes. There are no individual performance criteria attached to the options granted to non-directors. Options include directors' share options which are detailed in note 3. All options were granted at market value at the date of grant.

Number of options	Exercise price (pence)	Normally exercisable
997,166	42.00	2002 to 2009
233,333	19.00	2003 to 2010
360,000	16.00	2004 to 2011
257,500	25.00	2005 to 2012
510,000	27.50	2006 to 2013
320,000	30.50	2007 to 2014
902,500	24.25	2008 to 2015
585,000	18.50	2009 to 2016
736,667	24.00	2010 to 2017
80,000	29.50	2010 to 2017

In accordance with UITF25, provision has been made at the balance sheet date for the employer's NI arising on the exercise of unapproved options.

Further and full details of share options in respect of Directors are included in note 3. Further details concerning share based payment are given in note 26 to the Financial Statements.

19. Reconciliation of movements in equity shareholders' funds

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 (Restated) £'000
Group		
Profit after taxation	**693**	449
Dividends	**(295)**	(276)
Increase in FRS 20 related reserve	**95**	48
Net proceeds of share issue	**12**	13
Increase in shareholders' funds	**505**	234
Opening shareholders' funds	**11,400**	11,166
Closing shareholders' funds	**11,905**	11,400

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 (Restated) £'000
Company		
Profit after taxation	**437**	81
Dividends declared	**(295)**	(276)
Increase in FRS 20 related reserve	**95**	48
Net proceeds of share issue	**12**	13
Increase/(Decrease) in shareholders' funds	**249**	(134)
Opening shareholders' funds	**7,814**	7,948
Closing shareholders' funds	**8,063**	7,814

20. Reconciliation of operating profit to operating cash flows

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 (Restated) £'000
Operating profit	**1,214**	1,266
Depreciation charges	**632**	431
Profit on disposal of tangible fixed assets	**(2)**	–
Amortisation of goodwill	**539**	539
FRS 20 charge	**95**	48
(Increase)/decrease in debtors	**(772)**	3,656
Increase/(decrease) in creditors	**2,244**	(1,108)
Net cash inflow from operating activities	**3,950**	4,832

21. Analysis of cash flows

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 (Restated) £'000
Returns on investment and servicing of finance		
Interest paid	**(181)**	(330)
Interest element of finance lease payments	**(32)**	(71)
Net cash outflow	**(213)**	(401)
Capital expenditure		
Purchase of tangible fixed assets	**(1,571)**	(1,151)
Sale of tangible fixed assets	**6**	–
Net cash outflow	**(1,565)**	(1,151)

22. Analysis of net debt

	At 30 June 2006 £'000	Cash flow £'000	At 30 June 2007 £'000
Cash in hand and at bank	4	2	**6**
Bank overdraft	(2,174)	1,604	**(570)**
Net cash	(2,170)	1,606	**(564)**
Bank loan:			
Due within one year	(54)	5	**(49)**
Due after one year	(1,108)	44	**(1,064)**
Hire purchase and finance leases	(482)	234	**(248)**
Total net debt	(3,814)	1,889	**(1,925)**

23. Pension scheme

The Group has established a defined contribution Group personal pension plan. Contributions to this scheme are charged in the profit and loss account as they become payable. The assets of this scheme are held separately from those of the Group in independently administered funds.

24. Commitments

Capital Commitments

The Company and Group had contracted capital commitments, in respect of the purchase of the new office facilities and for the replacement of the Group's operational and claims systems, which have not been provided for in the Financial Statements as set out below:

	30 June 2007 £'000	30 June 2006 £'000
Contracted for, but not provided	**136**	335
Authorised, but not contracted for	**186**	15

Operating Lease Commitments

The payments which the Group is committed to make in the next year under operating leases are as follows:

	30 June 2007 £'000	30 June 2006 £'000
Land and buildings leases expiring		
Beyond five years	**200**	200
Other operating leases expiring		
Within one year	**71**	21
One to five years	**57**	74
	128	95

25. Prior year adjustments

The annual report and accounts have been prepared using accounting policies that are consistent with those adopted in the statutory accounts for the year ended 30 June 2006 other than the adoption of 'FRS 20' Share based payments. Adoption of a policy consistent with this standard is required in accordance with United Kingdom best practice.

The change in policy has resulted in a re-statement of comparative information. The effect on brought forward shareholders' funds of the Group at 1 July 2006 was £nil being an adjustment to both the profit and loss account reserve and the other reserve of £63,000. A deferred tax asset has not been provided on adoption of FRS 20 as it is not considered material.

The net effect on brought forward shareholders' funds at 1 July 2006 of the Company was an increase of £13,000 being a reduction to the profit and loss account reserve of £50,000 and an increase to the other reserve of £63,000. A deferred tax asset has not been provided on adoption of FRS 20 as it is not considered material.

26. Share based payments

The Group grants options to certain directors and employees. Options are exercisable at a price equal to the average quoted market price of the Company's shares at the date of grant. The vesting period is between 3 and 10 years. If the options remain unexercised after a period of 10 years from the date of the grant, the options expire. Furthermore, options are forfeited if the employee resigns from the business.

Details of the options outstanding during the period are as follows:

	Year ended 30 June 2007		Year ended 30 June 2006	
	Number of options (000s)	Weighted average exercise price (pence)	Number of options (000s)	Weighted average exercise price (pence)
Outstanding at the beginning of the period	**3,678**	**28.89**	3,488	29.83
Granted during the period	**1,402**	**22.08**	903	24.25
Forfeited during the period	**(39)**	**23.60**	(628)	29.19
Exercised during the period	**(59)**	**19.76**	(85)	16.00
Expired during the period	**–**	**–**	–	–
Outstanding at the end of the period	**4,982**	**27.08**	**3,678**	**28.89**
Exercisable at the end of the period	**2,357**	**30.76**	**2,378**	**30.76**

The weighted average share price at the date of exercise for share options exercised during the period was 19.76p. The options outstanding at 30 June 2007 had a weighted average exercise price of 27.08p and a remaining contractual life of between 3 and 10 years.

In the year ended 30 June 2006, options were granted on 22 December 2005 with an estimated fair value at that date of £98,000.

In the year ended 30 June 2007, options were granted on 27 October 2006, 6 December 2006 and 18 May 2007. The aggregate of the estimated fair values of the options granted on those dates was £126,000.

26. Share based payments (continued)

The inputs to Black Scholes model are as follows:

	Year ended 30 June 2007	Year ended 30 June 2006
Weighted average share price	**27.08p**	28.89p
Weighted average exercise price	**27.08p**	28.89p
Expected volatility	**30% – 40%**	30%
Expected life	**3 – 10 years**	3 – 10 years
Risk free rate	**3.75% – 6.0%**	3.75% – 6.0%
Dividend yield	**0.48% – 1.25%**	0.48% – 1.25%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous year.

The Group recognised total expenses of £95,000 and £48,000 related to equity-settled share-based payment transactions in the year ended 30 June 2007 and the year ended 30 June 2006 respectively.

Five Year Summary

Note: Due to the Group's adoption of FRS 20 for the first time in the year ended 30 June 2007, the results presented below for the year ended 30 June 2006 and 26 June 2005 have been restated. Due to the Group's change in year end from December to June in 2004, the results presented below for the 12 months ended 27 June 2004 and 29 June 2003 have been restated and are unaudited.

	2007 £'000	2006 (Restated) £'000	2005 (Restated) £'000	2004 Unaudited (Restated) £'000	2003 Unaudited (Restated) £'000
Profit and loss account					
Turnover	**34,326**	37,986	36,945	21,509	18,839
Adjusted profit before taxation before amortisation of goodwill, exceptional costs and FRS20 charge	**1,635**	1,452	249	1,745	1,432
Profit/(loss) before taxation	**1,001**	865	(483)	1,089	1,126
Retained profit/(loss) transferred to/(from) reserves	**398**	173	(617)	667	1,189
Earnings per share					
Basic before amortisation of goodwill and exceptional costs	**2.16p**	1.69p	0.15p	2.89p	2.98p
Basic	**1.13p**	0.73p	(0.76)p	1.59p	2.44p
Dividend per share	**0.48p**	0.45p	0.25p	0.50p	0.50p

Notice of Annual General Meeting
Ai Claims Solutions PLC
Company Number: 01492207

NOTICE IS HEREBY GIVEN THAT the 26th Annual General Meeting of the above named Company will be held at the offices of Cobbetts LLP, 70 Gray's Inn Road, 4th Floor, London WC1X 8BT on 6 December 2007 at 11.00 a.m. in order to consider and, if thought fit, pass the following Resolutions of which Resolutions 1 to 6 (inclusive) will be proposed as Ordinary Resolutions and Resolutions 7 to 9 inclusive will be proposed as Special Resolutions:

Ordinary Resolutions

1 To receive, consider and adopt the directors' report and accounts of the Company for the period ended 30 June 2007.

2 To re-appoint Grant Thornton UK LLP (RSM Robson Rhodes LLP having merged with Grant Thornton UK LLP with effect from 2 July 2007) as auditors and to authorise the directors to determine their remuneration.

3 To re-appoint as a director David Badal Sandhu who was initially appointed as a director of the Company on 31 January 2002 and reappointed most recently on 14 October 2004 and is retiring and standing for re-election in accordance with Article 79 of the Company's Articles of Association.

4 To re-appoint as a director Charles Anthony Good who was initially appointed as a director of the Company on 30 December 1995 and reappointed most recently on 18 November 2005 is retiring and standing for re-election in accordance with Article 79 of the Company's Articles of Association.

5 That the final dividend recommended by the directors of 0.29 pence per ordinary share for the period ended 30 June 2007 be declared and payable on the ordinary shares of the Company to all members whose names appear on the Register of Members on 14 December 2007 and that such dividend be paid on 7 January 2008.

6 To generally and unconditionally authorise the directors for the purposes of section 80 of the Companies Act 1985 (the Act) to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £2,047,206 provided that this authority shall expire on the conclusion of the Company's next Annual General Meeting after the passing of this Resolution but the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for and shall replace all subsisting authorities pursuant to section 80 which, to the extent unused prior to the passing of this Resolution, are hereby revoked.

Special Resolutions

7 To empower the directors, subject to the passing of resolution 6 above, pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) to section 94(3A) of the Act) wholly for cash pursuant to the authority conferred by resolution 6 above as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

7.1 in connection with an issue or offer of such securities by way of rights or other pre-emptive offers in favour of holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, record dates or any legal or practical problems under the laws, or the requirements of any regulatory authority or stock exchange in any territory or otherwise howsoever; and

7.2 otherwise than pursuant to sub-paragraph 7.1 above, up to an aggregate nominal amount of £307,080, for a period expiring on the conclusion of the Company's next Annual General Meeting after the passing of this Resolution, save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

8 To generally and unconditionally authorise the Company, in accordance with section 166 of the Act to make market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of 10 pence each in the capital of the Company (Ordinary Shares) provided that:

8.1 the maximum number of Ordinary Shares hereby authorised to be purchased is 6,141,618 (representing 10 per cent of the Company's issued ordinary share capital);

8.2 the minimum price which may be paid for any such Ordinary Share is 10 pence (exclusive of expenses);

8.3 the maximum price (exclusive of expenses) which may be paid for any such Ordinary Share shall not be more than 105 per cent of the average of the middle market price of the Ordinary Share according to the published market price appearing in the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase of the Ordinary Share.

9 That the Articles of Company be amended as follows:

9.1 Article 1 be amended by the insertion of the following definition:
'the 2006 Act' the Companies Act 2006;

9.2 The current definition of 'Act' in Article 1 be deleted in its entirety and replaced with the following new definition:
'Acts' subject to paragraph (3) of this article the Companies Act 1985 and any provisions of the 2006 Act for the time being in force';

9.3 The introductory paragraph of Article 35(1) shall be deleted in its entirety and replaced with the following new first part of Article 35(1):

'35 Notice given under section 793 of the 2006 Act

(1) If a member, or any other person appearing to be interested in shares held by that member, has been given notice under section 793 of the 2006 Act and has failed in relation to any shares (the 'default shares') to give to the Company the information thereby required within 14 days of giving the notice the following sanctions shall apply unless the Board otherwise determines';

9.4 Article 35(3) shall be deleted in its entirety and replaced with the following new Article 35(3):

'(3) Any new shares in the Company issued in right of default shares shall be subject to the same sanctions as apply to the default shares and the Board may make any allotment of the new shares subject to sanctions corresponding to those which will apply to those shares in issue provided that any sanctions applying to, or to a right to, new shares by virtue of this paragraph shall cease to have effect (and shall be suspended or cancelled if and to the extent that the sanctions applying to the related default shares are suspended or cancelled) and provided further that paragraph (1) of this Article shall apply to the exclusion of this paragraph if the Company gives a separate notice under section 793 of the 2006 Act in relation to the new shares';

9.5 Article 35(4) shall be deleted in its entirety and replaced with the following new Article 35(4):

'(4) Where, on the basis of information obtained from a member in respect of any share held by him, the Company gives a notice under Section 793 of the 2006 Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of paragraph (1) of this Article';

Notice of Annual General Meeting
Ai Claims Solutions PLC (continued)

9.6 Article 35(5) (a) and (b) shall be deleted in its entirety and replaced with the following new Article 35(5) (a) and (b):
'For the purposes of this Article:
(a) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or pursuant to a notice under section 793 of the 2006 Act, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
(b) 'interested' shall be construed as it is for the purpose of section 793 of the 2006 Act';

9.7 Article 35(5)(d) shall be deleted in its entirety and replaced with the following new Article 35(5)(d):
'(d) an excepted transfer means, in relation to any shares held by a member:
1. a transfer pursuant to acceptance of a takeover offer (within the meaning in section 974 of the 2006 Act) in respect of shares in the Company; or
2. a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or
3. a transfer which is made in consequence of a sale of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares';

9.8 Article 35(6) shall be deleted in its entirety and replaced with the following new Article 35(6):
'(6) Nothing in this Article shall limit the powers of the Company under section 793 of the 2006 Act or any other power of the Company whatsoever';

9.9 Article 45 shall be deleted in its entirety and replaced with the following new Article 45:
'45 Type of General Meeting
All meetings of shareholders of the Company other than annual general meetings shall be called general meetings';

9.10 Article 47 shall be deleted in its entirety and replaced with the following new Article 47:
'47 Period of Notice
Subject to the provisions of the Act an annual general meeting shall be called by at least twenty-one clear days' notice. All general meetings shall be called by at least fourteen clear days' notice';

9.11 Article 144(2) shall be deleted in its entirety and replaced with the following new Article 144(2):
'Every person who becomes entitled to a share shall be bound by any notice (other than a notice given under section 793 of the 2006 Act) in respect of that share which, before his name is entered in the Register, was given to the person from whom he derives his title'.

By order of the Board

Peter J Harrison
Secretary

Registered Office:
Indemnity House
Sir Frank Whittle Way
Blackpool
FY4 2FB

12 November 2007

Notes:
1 A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of him. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
2 Completion and return of the form of proxy will not preclude ordinary shareholders from attending or voting at the meeting, if they so wish.
3 To be effective, this proxy form must be lodged at Computershare Investor Services Plc, PO Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 7NH not later than 48 hours before the time of the meeting or any adjournment thereof, together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or, where the proxy form has been signed by an officer on behalf of a corporation, a notarially certified copy of the authority under which it is signed.
4 In the case of a joint holding, a proxy need only be signed by one joint holder. If more than one such joint holder lodges a proxy only that of the holder first on the register of members will be counted. Any alternations made to this proxy should be initialled.
5 In the case of a corporation this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised.
6 A copy of the balance sheet and every document required by law to be annexed to it, which are to be laid before the above mentioned meeting, are enclosed. The register of interests of the directors in the share capital of the company and copies of contracts of service of directors with the Company will be available for inspection at the registered office of the Company during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting.

Officers and Professional Advisers

Directors
C A Good – Non-Executive Chairman +*#
S W Broughton – Non-Executive Deputy Chairman +*#
D B Sandhu – Chief Executive Officer
P J Harrison – Group Finance Director
C J Baker – Non-Executive Director +*#
A M Palmer – Non-Executive Director +#

+ member of audit committee
* member of remuneration committee
# member of nominations committee

Secretary
P J Harrison

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