

Registered Number: 3861384 England

FAIRFIELD INSURANCE SERVICES LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2008

MONDAY



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COMPANIES HOUSE

FAIRFIELD INSURANCE SERVICES LIMITED

DIRECTORS: P J E Smith
P J Halpin

SECRETARY: S A Hargreaves

REGISTERED OFFICE: 6 Great Marlborough Street
Manchester
M1 5SW

REGISTERED NUMBER: 3861384 England

FAIRFIELD INSURANCE SERVICES LIMITED REPORT OF THE DIRECTORS

The directors present their report and financial statements of the Company for the year ended 31 December 2008.

BUSINESS REVIEW AND PRINCIPAL ACTIVITY

The Company did not trade during the year.

DIRECTORS

The members of the board during the year were:

P J E Smith
P J Halpin

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the company's dormant status means that it does not face any significant risks.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



S A HARGREAVES

Secretary

22 nd October 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAIRFIELD INSURANCE SERVICES LIMITED

We have audited the financial statements of Fairfield Insurance Services Limited for the year ended 31 December 2008 which comprise the Balance Sheet and the related notes 1 to 8. 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 auditors' 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 are responsible for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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 if, in our opinion, the information given in the directors' report is not consistent with the financial statements.

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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

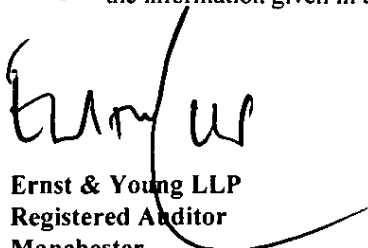
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 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 company's affairs as at 31 December 2008 and of its result 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.


Ernst & Young LLP
Registered Auditor
Manchester

12 October 2009

FAIRFIELD INSURANCE SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	2007 As restated £
CURRENT ASSETS			
Debtors	3	90,114	1,028,733
CREDITORS: Amounts falling due within one year	4	(87,112)	(87,112)
NET CURRENT ASSETS		3,002	941,621
CREDITORS: Amounts falling due after more than one year	5	-	(938,619)
		<u>3,002</u>	<u>3,002</u>
CAPITAL AND RESERVES			
Called-up share capital	6	3,002	3,002
SHAREHOLDERS' FUNDS		<u>3,002</u>	<u>3,002</u>

The financial statements on pages 3 to 7 were approved by the board on 22 October 2009 and signed on their behalf by:



P J HALPIN
DIRECTOR

FAIRFIELD INSURANCE SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

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

A profit and loss account has not been prepared as the company did not trade during the year. There are also no other recognised gains or losses in respect of this period.

2. PRIOR YEAR ADJUSTMENT

The Company's preference share capital was classified as equity in the financial statements for the year ended 31 December 2007, when, in accordance with FRS25, this should have been classified as debt. The impact of this adjustment is to reduce shareholders funds at 31 December 2007 by £87,112. There is no impact on profit and loss reserves.

3. DEBTORS

	2008	2007
	£	£
Amounts owed by parent undertaking	90,114	-
Amounts owed by group undertaking due after more than one year	-	1,028,733
	<hr/>	<hr/>
	90,114	1,028,733
	<hr/>	<hr/>

FAIRFIELD INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 As restated £
Preference shares	87,112	87,112

Preference shares

The Preference Shares shall not confer any entitlement to participate in distributions of income or profits or to receive any assets of the Company, except on a winding up or other return of capital.

The Preference Shares shall entitle the holders thereof, on a winding up or other return of capital, in priority to any return of capital on any other class of shares, to repayment of the capital paid up or credited as paid up on each share.

The Preference Shares shall not entitle the holders to receive notice of or to attend or vote at any general meeting of the Company unless the business of the meeting includes the consideration of a resolution for winding up the Company or for a reduction in the capital or any resolution directly or adversely modifying or abrogating any of the special rights or privileges attached to the preference Shares.

It was reported in the financial statements for the year ended 31 December 2007 that the Company had on 10 March 2008 purported to redeem at par the 87,112 preference shares held by its holding company Swinton Holdings Limited. The Directors had approved the purported redemption in the mistaken belief that the Company had sufficient distributable reserves to effect the redemption. It has since come to light that the Company did not at the time have sufficient distributable reserves to effect the redemption and accordingly the redemption was ineffective. Swinton Holdings Limited has acknowledged that the £87,112 paid to it in connection with the purported redemption is repayable to the Company and a loan for that amount has been put in place.

The Preference Shares were due to be redeemed by the Company by 14 April 2008, subject to the provisions of part V, chapter VII of the Companies Act 1985. The Companies Act only permits the redemption of redeemable shares out of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for the purposes of the redemption. As the Company did not have any distributable profits on that date or during the remaining period prior to the approval of these accounts, the shares remained in issue. On each subsequent date at which the audited accounts of the Company are laid before the Company in general meeting, the Company shall apply the full amount of any distributable reserves of the Company in redeeming for cash at par any of the Preference Shares then outstanding and such shall be a Redemption Date.

5. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £	2007 £
Amounts owed to parent company	-	938,619

FAIRFIELD INSURANCE SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

6. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	As restated £
3,000 Ordinary shares of £1 each	3,000	3,000
2 Ordinary A shares of £1 each	2	2
	<hr/> 3,002	<hr/> 3,002
	<hr/> <hr/>	<hr/> <hr/>

Allotted, called up and fully paid:

	2008		2007	
	No.	£	As restated No.	£
Ordinary shares of £1 each	3,000	3,000	3,000	3,000
Ordinary A shares of £1 each	2	2	2	2
	<hr/> 3,002	<hr/> 3,002	<hr/> 3,002	<hr/> 3,002
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Ordinary A Shares

The A Ordinary Shares will share in distributions of income or profits or receive any asset of the Company as if they were ordinary Shares of the Company.

The A Ordinary Shares shall entitle the holders thereof, on a winding up or other return of capital, after the repayment of the Preference Shares but in priority to any return of capital on any other class of shares, to repayment of the capital paid up or credited as paid up on each share.

The A Ordinary Shares shall not entitle the holders to receive notice of or to attend or vote at any general meeting of the Company unless the business of the meeting includes the consideration of a resolution for winding up the Company or for a reduction in the capital or any resolution directly or adversely modifying or abrogating any of the special rights or privileges attached to the preference Shares.

The A Ordinary Shares shall not confer on the holders thereof any further rights to participate in the profits or assets on the Company or to vote.

FAIRFIELD INSURANCE SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 As restated £
Opening shareholders' funds	3,002	3,002
Result for the financial year	-	-
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Closing shareholders' funds	3,002	3,002
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8. ULTIMATE PARENT COMPANY & CONTROLLING PARTY

The Company's immediate parent company is Swinton (Holdings) Limited.

In the directors' opinion, the Company's ultimate parent company, controlling party and largest undertaking which produces consolidated accounts (which include the Company and its subsidiary undertakings) is La Mutuelle du Mans Assurances IARD ["MMA IARD"] which is registered in France. Copies of its group accounts can be obtained from MMA Insurance plc, Norman Place, Reading RG1 8DA.

The smallest undertaking in the group which produces consolidated accounts (which include the Company and its subsidiary undertakings) is Swinton (Holdings) Limited which is registered in England & Wales. A copy of its accounts can be obtained from the Company's registered office.