

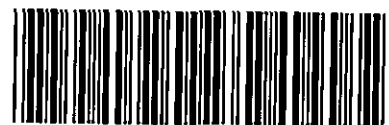
Registration No 4617115

FIRSTASSIST GROUP LIMITED

Report and Accounts

For the year ended 31 December 2007

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FirstAssist Group Limited
For the year ended 31 December 2007

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FirstAssist Group Limited
For the year ended 31 December 2007

Company information

Directors

M Totty
D A Conway

Secretary

F Firmin

Registered Office

Marshall's Court
Marshall's Road
Sutton
Surrey
SM1 4DU

Auditors

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Bankers

Bank of Scotland plc
St Andrew Square
Edinburgh
EH2 2YR

FirstAssist Group Limited
For the year ended 31 December 2007

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2007

Principal activity

The Company carries on the business of an investment company operating in the personal lines insurance market

Business Review Statement

FirstAssist Group Limited acts as the holding company for a group of FirstAssist companies. The Company does not trade or have any plans to change its role as a holding company.

The Directors consider that the Company has adequate resources to continue in business for the foreseeable future with no reason to believe that the Company should be considered anything other than a going concern.

Result and dividend

The result for the year is shown in the profit and loss account on page 8. The Directors do not recommend payment of a dividend (2006 £nil).

Directors

The Directors who held office during the year and to the date of this report were as follows:

M Totty
D A Conway

FirstAssist Group Limited
For the year ended 31 December 2007

Directors' report (continued)

Political and charitable contributions

The Company made no political contributions or donations to UK charities during the year (2006 £nil)

Auditors

A resolution to reappoint KPMG Audit Plc as auditors to the Company will be proposed at the next general meeting at which accounts are laid before the Company

Disclosure of information to the auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

By order of the Board of Directors



F Firmin
Secretary

7 Apr 2008

FirstAssist Group Limited
For the year ended 31 December 2007

Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 of the profit or loss of the Company 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, and
- 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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

The Directors are responsible for the maintenance and integrity of the corporate information included on the Company's website

FirstAssist Group Limited
For the year ended 31 December 2007

Independent auditors' report to the members of FirstAssist Group Limited

We have audited the financial statements of FirstAssist Group Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 5.

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.

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.

FirstAssist Group Limited
For the year ended 31 December 2007

Independent auditors' report to the members of FirstAssist Group Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 and of its loss 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



KPMG Audit Plc
Chartered Accountants
Registered Auditor
London
7 April 2008

FirstAssist Group Limited**Profit and loss account for the year ended 31 December 2007**

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	Notes	<u>2007</u> <u>£'000</u>	<u>2006</u> <u>£'000</u>
Exceptional loss on disposal of investment	2	-	(15,518)
Interest receivable and similar income	3	-	600
Interest payable and similar charges	4	(6,606)	(7,684)
Loss on ordinary activities before taxation	6	(6,606)	(22,602)
Tax on loss on ordinary activities	7	-	-
Retained loss for the period		(6,606)	(22,602)

All figures relate to continuing operations

The notes on pages 10-16 form part of the Financial Statements

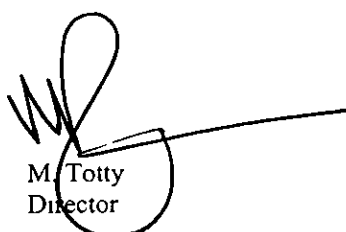
There have been no recognised gains or losses or other movements in shareholders' funds in the reporting period other than those recorded in the profit and loss account. Accordingly, no Statement of Total Recognised Gains and Losses is presented.

FirstAssist Group Limited

Balance sheet as at 31 December 2007

	Notes	2007 £'000	2006 £'000
Fixed asset investments			
Shares in group undertakings	8	76,041	76,041
		<hr/>	<hr/>
		76,041	76,041
Current assets			
Debtors (including £10,000,000 due after more than one year (2006 £10,000,000))	9	27,500	33,500
Cash at bank and in hand		3	-
		<hr/>	<hr/>
		27,503	33,500
Current liabilities			
Creditors: amounts falling due within one year	10	(34,142)	(31,626)
		<hr/>	<hr/>
Net current (liabilities)/assets		(6,639)	1,874
		<hr/>	<hr/>
Total assets less current liabilities		69,402	77,915
Creditors: amounts falling due after more than one year	11	(99,842)	(101,749)
		<hr/>	<hr/>
Net liabilities		(30,440)	(23,834)
		<hr/>	<hr/>
Share capital and reserves			
Called up share capital	12	8,224	8,224
Profit and loss account	13	(38,664)	(32,058)
		<hr/>	<hr/>
Equity shareholders' funds	14	(30,440)	(23,834)
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on **4 APRIL** 2008 and were signed on their behalf by


M. Totty
Director


D. A. Conway
Director

FirstAssist Group Limited
For the year ended 31 December 2007

Notes to the accounts

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance the provisions of Section 226 of and Schedule 4 to the Companies Act 1985, and in accordance with applicable accounting standards and under the historical cost accounting rules

The financial statements have been prepared on a going concern basis. The Directors believe that the Company will be able to continue as a going concern, as the parent company has undertaken not to call on the debts owed by the Company, to allow each to continue to pay its debts, as and when they fall due, for a period of at least one year from the date of this report.

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

The following accounting policies have been adopted in dealing with items which are considered material in relation to the Company's financial statements and are consistent with those of the previous financial year.

Investments

Shares in group undertakings are shown at cost and are reviewed annually for impairment.

Investment income

Investment income is accounted for on a receivable basis. Interest income is accrued up to the balance sheet date.

Taxation

UK taxation in the profit and loss account is based on profits and income of the year as determined in accordance with the relevant tax legislation, together with adjustments of provisions for prior years.

Deferred taxation is provided in accordance with Financial Reporting Standard No. 19 ("FRS 19") on all timing differences between the treatment of certain items for taxation and accounting purposes which have originated but not reversed by the balance sheet date. Deferred taxation assets are only recognised to the extent that they are regarded as recoverable.

2. Exceptional loss on disposal of investment

On 29 December 2006 the Company disposed of its entire shareholding in FirstAssist Services Limited as part of a Group restructure exercise creating an exceptional loss of £15,518,000.

FirstAssist Group Limited
For the year ended 31 December 2007

Notes to the accounts (continued)

3. Interest receivable and similar income

	2007	2006
	£'000	£'000
Receivable from group undertakings	-	600
	-	600

4. Interest payable and similar charges

	2007	2006
	£'000	£'000
On bank loans and overdrafts	494	476
On all other loans	6,112	6,538
Payable to former group undertakings	-	670
	6,606	7,684

5. Directors' emoluments

The Directors did not receive any emoluments during the period. They were employed by a fellow group undertaking and were remunerated by that undertaking for their services to the Group as a whole.

6. Loss on ordinary activities before taxation

	2007	2006
	£'000	£'000
The loss on ordinary activities before taxation is stated after charging		
Auditors' remuneration		
Audit	-	9

FirstAssist Group Limited
For the year ended 31 December 2007

Notes to the accounts (continued)

7. Tax on loss on ordinary activities

	<u>2007</u>	<u>2006</u>
	<u>£'000</u>	<u>£'000</u>
Current tax		
UK Corporation Tax	-	-
Tax on loss on ordinary activities	-	-

UK Corporation tax for the period is based on a rate of 30% (2006 30%)

A deferred tax asset of £4,447,774 (2006 £8,750,000) in respect of tax losses and £1,213,666 (2006 £nil) in respect of provisions has not been recognised in the accounts as there is insufficient certainty as to the availability of suitable taxable profits against which these losses can be utilised

Factors affecting the current tax charge

The current tax charge for the year is less than 30% (2006 less than 30%) due to items set out in the reconciliation below

	<u>2007</u>	<u>2006</u>
	<u>£'000</u>	<u>£'000</u>
Loss on ordinary activities before tax	(6,606)	(22,602)
Current tax at 30% (2006 – 30%)	(1,982)	(6,781)
Factors affecting charge		
General provisions	1,301	-
Tax losses deferred	681	6,781
Total current tax (see above)	-	-

FirstAssist Group Limited
For the year ended 31 December 2007

Notes to the accounts (continued)

8 Shares in group undertakings

	Group undertakings £'000
Shares at cost	
At 1 January 2007	76,041
	<hr/>
At 31 December 2007	76,041
	<hr/>
Net book value	
At 31 December 2007	76,041
	<hr/>
At 31 December 2006	76,041
	<hr/>

Investments in group undertakings, which are all wholly owned, are as follows

	Country of incorporation	Class of shares held	Principal activity	Held directly or indirectly
FirstAssist Insurance Services Limited	Great Britain	Ordinary	Healthcare insurance	Direct
FirstAssist Administration Limited	Great Britain	Ordinary	Business administration	Direct
FirstAssist Legal Expenses Insurance Limited	Great Britain	Ordinary	Legal insurance	Direct

9 Debtors

	2007 £'000	2006 £'000
Amounts owed by group undertakings	27,500	27,500
Fixed rate loan notes	-	5,123
Other Debtors	-	877
	<hr/>	<hr/>
	27,500	33,500
	<hr/>	<hr/>

Of which £ 10,000,000 falls due after more than one year (2006 £10,000,000)

FirstAssist Group Limited
For the year ended 31 December 2007

Notes to the accounts (continued)

10. Creditors : amounts falling due within one year

	<u>2007</u>	<u>2006</u>
	£'000	£'000
Debenture loans	1,579	1,335
Amounts owed to group undertakings	32,541	27,694
Other creditors	-	877
Accruals	22	95
Bank Overdraft	-	1,625
	<hr/>	<hr/>
	34,142	31,626
	<hr/>	<hr/>

11. Creditors amounts falling due after more than one year

	<u>2007</u>	<u>2006</u>
	£'000	£'000
Fixed rate loan notes	97,642	98,093
Debenture loans	2,200	3,656
	<hr/>	<hr/>
	99,842	101,749
	<hr/>	<hr/>

The rights of the loan note holders are subordinated to the rights of the debenture loan holders

Analysis of debt

	<u>2007</u>	<u>2006</u>
	£'000	£'000
Debt can be analysed as falling due		
In one year or less, or on demand	1,579	2,960
Between one and two years	2,200	3,656
Between two and five years	97,642	98,093
In five years or more	-	-
	<hr/>	<hr/>
	101,421	104,709
	<hr/>	<hr/>

FirstAssist Group Limited
For the year ended 31 December 2007

Notes to the accounts (continued)

12. Share capital

	<u>2007</u>	<u>2006</u>
	£	£
Authorised:		
10,000,000 ordinary shares of £1 each	10,000,000	10,000,000
Allotted, issued and fully paid		
8,223,501 ordinary shares of £1 each	8,223,501	8,223,501

13. Profit & loss account

	<u>2007</u>	<u>2006</u>
	£'000	£'000
Opening balance	(32,058)	(9,456)
Loss for the period	(6,606)	(22,602)
Closing balance	(38,664)	(32,058)

14 Reconciliation of movements in equity shareholders' funds

	<u>2007</u>	<u>2006</u>
	£'000	£'000
Opening shareholders' funds	(23,834)	(9,456)
Share issue	-	8,224
Loss for the period	(6,606)	(22,602)
Closing shareholders' funds	(30,440)	(23,834)

15 Capital commitments

The Company had no capital commitments at 31 December 2007 (2006 £nil)

FirstAssist Group Limited
For the year ended 31 December 2007

Notes to the accounts (continued)

16. Related party transactions

The Company has taken advantage of the exemption provided in FRS 8 from disclosing details of transactions with FirstAssist Group Holdings Limited and its subsidiaries

17. Ultimate parent Company

The parent Company in which the results of the Company are consolidated is that headed by FirstAssist Group Holdings Limited, which is registered in England & Wales. The consolidated accounts of that Company can be obtained from Marshall's Court, Marshall's Road, Sutton, Surrey, SM1 4DU. No other group accounts include the results of the Company.