

FIRSTASSIST GROUP LIMITED

COMPANY REGISTRATION NUMBER: 4617115

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2008

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COMPANIES HOUSE

FIRSTASSIST GROUP LIMITED

DIRECTORS

M R Totty
D A Conway

SECRETARY

F Firmin

COMPANY REGISTRATION NUMBER

4617115

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 2008

1

DIRECTORS' REPORT

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

The Directors are satisfied that the Company has sufficient resources and banking securities to enable it to continue as a going concern for the foreseeable future and consequently have adopted the going concern basis when in preparing these Annual Report and Accounts.

PRINCIPAL ACTIVITY

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

PRINCIPAL RISKS AND UNCERTAINTIES

The company is exposed to various financial, operational and regulatory risks. The company manages these risks via a bottom up risk assessment process which identifies risks and then through a risk reporting framework focuses on principal risks via a risk forum headed by board directors.

PRINCIPAL RISK

The directors consider the principal risk and uncertainties facing the company to be:

- legislative or regulatory changes that impact the financial performance of the business.

FINANCIAL RISK MANAGEMENT OBJECTIVES

The company is exposed to financial risk through its financial assets and financial liabilities. The most important components of this financial risk are interest rate risk, credit risk and liquidity risk.

Interest rate risk

Interest rate risk exists from the company's exposure to adverse movements in interest rates in relation to the company's cash balances and deposits. The company monitors interest rate risk and reduces its exposure by depositing funds for different durations at fixed interest rates.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due.

Liquidity and cash flow risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. To manage this risk, the group has in place credit facilities with the Halifax Bank of Scotland which are considered to be sufficient for the group's requirements.

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.

RESULTS AND DIVIDENDS

The result for the year is shown in the profit and loss account on page 5. The directors recommend no payment of dividends (2007: £nil).

DIRECTORS

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

M R Totty
D A Conway

FIRSTASSIST GROUP LIMITED

for the year ended 31 December 2008

2

DIRECTORS' REPORT (Continued)

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political contributions or donations to UK charities during the year (2007: £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.

Approved by the Board on **15th May** 2009
and signed on its behalf by:



F Firmin
Secretary

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

FIRSTASSIST GROUP LIMITED

for the year ended 31 December 2008

3

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:

- suitable accounting policies have been selected and then consistently applied;
- judgements and estimates that are reasonable and prudent have been made;
- applicable UK accounting standards have been followed; and
- the going concern basis is appropriate.

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.

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 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom 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 to 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 judgements 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 the 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 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

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

15 May 2009

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2008

	Notes	2008 £'000	2007 £'000
Interest payable and similar charges	2	(6,825)	(6,606)
Loss on ordinary activities before taxation	4	(6,825)	(6,606)
Tax credit on loss on ordinary activities	5	-	-
Retained loss for the financial year		<u>(6,825)</u>	<u>(6,606)</u>

All figures relate to continuing operations.

The notes on pages 7-11 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.

BALANCE SHEET at 31 December 2008

	Notes	2008 £'000	2007 £'000
Fixed asset investments			
Shares in group undertakings	6	76,041	76,041
		<u>76,041</u>	<u>76,041</u>
Current assets			
Debtors due within one year	7	17,500	17,500
Debtors due after more than one year	7	10,000	10,000
Cash at bank and in hand		-	3
		<u>27,500</u>	<u>27,503</u>
Creditors: amounts falling due within one year	8	(36,800)	(34,142)
		<u>(9,300)</u>	<u>(6,639)</u>
Net current liabilities			
		<u>66,741</u>	<u>69,402</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	9	(104,006)	(99,842)
		<u>(37,265)</u>	<u>(30,440)</u>
Net liabilities			
Capital and reserves			
Called up share capital	10	8,224	8,224
Profit and loss account	11	(45,489)	(38,664)
		<u>(37,265)</u>	<u>(30,440)</u>
Equity shareholders' funds	12		

These financial statements were approved by the Board of Directors on
and signed on its behalf

15th May 2009

M R Totty
Director

D A Conway
Director

NOTES TO THE ACCOUNTS

for the year ended 31 December 2008

1. ACCOUNTING POLICIES**Basis of preparation**

The financial statements have been prepared in accordance with 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 it 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 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.

The directors are confident that the company will continue to trade over the next 12 months as the company is cash generative and profitable at earnings before interest payable, tax, depreciation and goodwill amortisation (EBITDA).

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. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £'000	2007 £'000
On bank loans and overdrafts	462	494
On all other loans	6,363	6,112
	<u>6,825</u>	<u>6,606</u>

3. REMUNERATION OF DIRECTORS

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.

NOTES TO THE ACCOUNTS

for the year ended 31 December 2008

(continued)

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

2008
£'0002007
£'000

The profit on ordinary activities before taxation is stated after charging:

Auditors' remuneration:

Audit

- 9

The cost of the audit fee is paid by the other companies in the group.

5. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

2008
£'0002007
£'000

Current tax

UK Corporation tax

- -

Tax credit on loss on ordinary activities

- -

UK Corporation tax for the current year is based on a rate of 28.5% (2007: 30%).

A deferred tax asset of £4,435,850 (2007: £4,447,774) in respect of tax losses; £3,000,887 (2007: £1,213,666) in respect of provisions has not been recognised in the accounts as there is insufficient certainty as to availability of suitable profits against which these losses can be utilised.

Factors affecting the current tax charge

The current tax charge for the period is less than 28.5% (2007: less than 30%) due to items set out in the reconciliation below.

2008
£'0002007
£'000

Loss on ordinary activities before tax

(6,825) (6,606)

Current tax at 28.5% (2007: 30%)

(1,945) (1,982)

Factors affecting charge:

General provisions

1,813 1,301

Group relief surrendered

115

Tax losses deferred

17 681

Total current tax

- -

NOTES TO THE ACCOUNTS
for the year ended 31 December 2008
(continued)

6. SHARES IN GROUP UNDERTAKINGS

**Group
undertakings
£'000**

COST

At 1 January 2008

76,041

At 31 December 2008

76,041

NET BOOK VALUE

At 31 December 2008

76,041

At 31 December 2007

76,041

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

7. DEBTORS

**2008
£'000**

**2007
£'000**

Amounts due within one year

Amounts owed by subsidiary undertakings

17,500

17,500

Amounts due after more than one year

Amounts owed by subsidiary undertakings

10,000

10,000

27,500

27,500

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN
ONE YEAR**

**2008
£'000**

**2007
£'000**

Debenture loans

2,200

1,579

Amounts owed to subsidiary undertakings

34,473

32,541

Accruals

127

22

36,800

34,142

NOTES TO THE ACCOUNTS

for the year ended 31 December 2008

(continued)

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2008 £'000	2007 £'000
Fixed rate loan notes	104,006	97,642
Debenture loans	-	2,200
	<u>104,006</u>	<u>99,842</u>

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

Analysis of debt:	2008 £'000	2007 £'000
Debt can be analysed as falling due:		
In one year or less, or on demand	2,200	1,579
Between one and two years	-	2,200
Between two and five years	104,006	97,642
	<u>106,206</u>	<u>101,421</u>

10. CALLED UP SHARE CAPITAL	2008 £	2007 £
Authorised:		
10,000,000 ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Alloted, issued and fully paid		
8,223,501 ordinary shares of £1 each	<u>8,223,501</u>	<u>8,223,501</u>

11. PROFIT AND LOSS ACCOUNT	2008 £'000	2007 £'000
At 1 January 2008	(38,664)	(32,058)
Loss for the financial year	(6,825)	(6,606)
	<u>(45,489)</u>	<u>(38,664)</u>
At 31 December 2008		

12. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS	2008 £'000	2007 £'000
At 1 January 2008	(30,440)	(23,834)
Loss for the financial year	(6,825)	(6,606)
	<u>(37,265)</u>	<u>(30,440)</u>
At 31 December 2008		

NOTES TO THE ACCOUNTS

for the year ended 31 December 2008

(continued)

13. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2008 (2007: £nil).

14. 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.

15. ULTIMATE PARENT COMPANIES

The largest group in which the results of the company are consolidated is that headed by FirstAssist Group Holdings Limited, which is registered in England and 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.