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FIRSTASSIST GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2011

THURSDAY



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COMPANIES HOUSE

FIRSTASSIST GROUP LIMITED

DIRECTORS

D A Conway
A Hardie

SECRETARY

C Butler

COMPANY REGISTRATION NUMBER

4617115

REGISTERED OFFICE

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

AUDITORS

KPMG Audit Plc
15 Canada Square
London E14 5GL

BANKERS

Lloyds TSB Bank plc
City Office
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

FIRSTASSIST GROUP LIMITED

for the year ended 31 December 2011

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 2011

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 and will continue to do so for the foreseeable future

RESULTS AND DIVIDENDS

The result for the year is shown in the profit and loss account on page 7 The directors recommend no payment of dividends (2010 £nil)

DIRECTORS

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

D A Conway

M R Totty (Resigned 30 November 2011)

A Hardie (Appointed 30 November 2011)

All Directors benefit from qualifying Third Party indemnity provisions in place during the financial year

SALE TO CIGNA OVERSEAS HOLDINGS, INC

The company's ultimate parent company, FirstAssist Group Holdings Ltd, was acquired by Cigna Overseas Holdings, INC on 30 November 2011

FIRST ASSIST LEGAL EXPENSES INSURANCE LTD

On 3rd February, 2011 the company disposed of its entire interest in First Assist Legal Expenses Insurance Ltd for a net consideration of £26.6m

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 Committee headed by a non-executive director

PRINCIPAL RISKS

The directors consider the principal risks and uncertainties facing the company to be legislative or regulatory changes that impact the financial performance of the business

FIRSTASSIST GROUP LIMITED

for the year ended 31 December 2011

DIRECTORS' REPORT (continued)

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 and the company continuously monitors the operating performance of subsidiaries in mitigation of that risk.

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 credit facilities with the Lloyds Banking Group which are considered to be sufficient for the group's requirements.

BUSINESS REVIEW STATEMENT

Following the sale of the group to Cigna Holdings Overseas, Inc and the disposal of the after the event legal expenses business the company repaid the outstanding loan notes and accrued interest to Barclays Private Equity Ltd.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no charitable contribution to a UK charity during the year (2010: £nil).

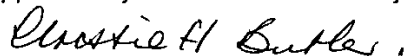
AUDITORS

A resolution to appoint Pricewaterhouse Coopers LLP 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 2nd May, 2012 and signed on its behalf by



C Butler
Secretary

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

Company Registration Number 468345

FIRSTASSIST GROUP LIMITED

for the year ended 31 December 2011

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)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements 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, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

FIRSTASSIST GROUP LIMITED

for the year ended 31 December 2011

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 2011 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

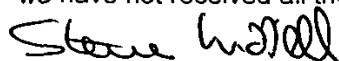
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Steve Liddell (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
2nd May, 2012

FIRSTASSIST GROUP LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Interest expense and similar charges	3	(3,841)	(6,056)
Interest and similar income	2	525	-
Profit on the disposal of FirstAssist Legal Expenses Insurance Limited		26,572	-
Profit / (Loss) on ordinary activities before taxation		<u>23,256</u>	<u>(6,056)</u>
Tax credit / (charge) on loss on ordinary activities		-	-
Dividends received		15,548	-
Retained profit/(loss) for the financial year		<u><u>38,804</u></u>	<u><u>(6,056)</u></u>

All figures relate to continuing operations

The notes on pages 9 - 15 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 at 31 December 2011

	Notes	2011 £'000	2010 £'000
Fixed asset investments			
Shares in group undertakings	5	77,321	76,041
		<hr/>	<hr/>
		77,321	76,041
Current assets			
Debtors due within one year	7	-	17,500
Debtors due after more than one year	7	25,810	10,000
Cash at bank and in hand		714	-
		<hr/>	<hr/>
		26,524	27,500
Creditors: amounts falling due within one year	8	(33,445)	(42,660)
Net current assets		(6,921)	(15,160)
		<hr/>	<hr/>
Total assets less current liabilities		70,400	60,881
Creditors: amounts falling due after more than one year	9	-	(94,969)
		<hr/>	<hr/>
Net (liabilities) / assets		<u>70,400</u>	<u>(34,088)</u>
Capital and reserves			
Called up share capital	10	87,219	20,426
Profit and loss account	11	(16,819)	(54,514)
		<hr/>	<hr/>
Equity shareholders' funds	12	<u>70,400</u>	<u>(34,088)</u>

These financial statements were approved by the Board of Directors on 2nd May, 2012 and signed on its behalf


A Hardie
Director


D A Conway
Director

FIRSTASSIST GROUP LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December 2011

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the provisions of Section 396 of and Schedule 4 to the Companies Act 2006, and in accordance with applicable accounting standards and under the historical cost accounting rules

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 consider that the company has adequate resources to continue in business for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the accounts

Interest payments on the loan notes is rolled up and paid on redemption of the notes

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

On November 30th 2011 Cigna Overseas Holdings Inc acquired 100% of the share capital of the First Assist Group. At the date of sale the First Assist Group entered into a revised business model with remuneration no longer directly based upon the underwriting performance of the policies sold. After this date the Group receives a commission based on the net earned premiums of the policies sold

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 at the rate of 25% to the extent that they are regarded as recoverable

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand

FIRSTASSIST GROUP LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December 2011

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £'000	2010 £'000
Interest and similar income	<u>525</u>	<u>-</u>

Interest derives from that due on a loan to FirstAssist Legal Protection Ltd in connection with the sale of the before the event insurance business on 1st June 2010

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £'000	2010 £'000
On bank loans and overdraft	15	113
On other loans	3,826	5,943
	<u>3,841</u>	<u>6,056</u>

FIRSTASSIST GROUP LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December 2011

4. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2011 £'000	2010 £'000
Current tax		
UK Corporation tax	-	-
	<u> </u>	<u> </u>
Tax credit on loss on ordinary activities	-	-
	<u> </u>	<u> </u>

UK Corporation tax for the current year is based on a rate of 26.5% (2010 28%)

A deferred tax asset of £5,268,000 (2010 £4,618,717) in respect of tax losses and nil (2010 £1,776,000) in respect of other timing differences has not been recognised in the accounts as there is insufficient certainty as to the availability of suitable profits against which these losses can be utilised

Finance Act 2011 enacted the reduction in corporation tax rate to 26% with effect from April 2011 and 25% from April 2012. UK corporation tax for the purpose of calculating deferred tax is based on a rate of 25% (2010 27%) as the proposed rate reduction from April 2012 was enacted as at 31 December 2011. The UK Government announced at the Budget 2012 on 21 March 2012 that the corporation tax rate would instead reduce to 24% from April 2012 with two further annual 1% cuts to 22% by April 2014. Other than the enacted changes to 26% and 25%, the effects of the announced changes are not reflected in the financial statements for the year ended 31 December 2011 as they were not enacted or substantively enacted at the balance sheet date.

Factors affecting the current tax charge

The current tax charge for the period is less than 26.5% (2010 less than 28%) due to items set out in the reconciliation below

	2011 £'000	2010 £'000
Profit/(Loss) on ordinary activities before tax	<u>38,804</u>	<u>(6,056)</u>
Current tax at 26.5% (2010 28%)	10,283	(1,696)
Factors affecting charge		
Expenses not deductible for tax purposes	853	1,401
Utilisation of losses carried forward	1,334	117
Other timing differences	(1,575)	178
Group relief surrendered	264	-
Non taxable income	(11,159)	-
	<u> </u>	<u> </u>
Total current tax	<u> </u>	<u> </u>

FIRSTASSIST GROUP LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December 2011

5. SHARES IN GROUP UNDERTAKINGS

	Group Undertakings £'000
COST	
At 1 January 2011	76,041
Purchase of shares	<u>2,389</u>
At 31 December 2011	<u>78,430</u>
LESS: PROVISIONS FOR IMPAIRMENT IN VALUE	
At 1 January 2011	-
Additions	<u>1,109</u>
At 31 December 2011	<u>1,109</u>
NET BOOK VALUE	
At 31 December 2011	<u>77,321</u>
At 31 December 2010	<u>76,041</u>

On 30th November 2011 the company subscribed for 2,388,970 ordinary shares of £1 each in First Assist Insurance Services Limited. The provision for impairment in the carrying value of investments reflects a write down from the historic cost of investments to the value that was realised upon the sale of the group to Cigna Holdings Overseas, Inc. in November, 2011.

6. INVESTMENTS IN GROUP UNDERTAKINGS (WHICH ARE ALL WHOLLY OWNED)

	Country of incorporation	Class of shares held	Principal activity	Held directly or indirectly
The company				
FirstAssist Insurance Services Limited	Great Britain	Ordinary	Personal lines insurance	Direct
FirstAssist Administration Limited	Great Britain	Ordinary	Business administration	Direct
FirstAssist Legal Protection Limited	Great Britain	Ordinary	Legal insurance	Direct
Brighter Business Ltd	Great Britain	Ordinary	SME insurance	Direct

FIRSTASSIST GROUP LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December 2011

7. DEBTORS

	2011 £'000	2010 £'000
Amounts due within one year		
Amounts owed by subsidiary undertakings	-	17,500
Amounts due after more than one year		
Amounts owed by subsidiary undertakings	25,810	10,000
	<u>25,810</u>	<u>27,500</u>

Amounts owed by subsidiary undertakings represent trading and loan balances receivable

8. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Amounts owed to subsidiary undertakings	30,014	42,612
Tax and social security	3,414	-
Accruals	17	48
	<u>33,445</u>	<u>42,660</u>

Amounts owed by subsidiary undertakings represent trading and loan balances payable

FIRSTASSIST GROUP LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December 2011

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

	2011 £'000	2010 £'000
Fixed rate loan notes	-	94,969
	<u>-</u>	<u>94,969</u>

Analysis of debt:

Debt can be analysed as falling due

In one year or less, or on demand

Between one and two years

Between two and five years

-	-
-	94,969
-	-
<u>-</u>	<u>94,969</u>

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

Interest on other loans relates to that due on loans provided by Barclays Private Equity Limited. The loans were unsecured and carry a fixed interest rate of 6% per annum. Loan notes including accrued interest of £27,390,000 were repaid on 3rd February, 2011 following the sale of FirstAssist Legal Expenses Insurance Ltd. The remaining loan notes including further accrued interest were repaid in full on 30 November 2011 following the issue of shares referred to in Note 10.

10 CALLED UP SHARE CAPITAL

	2011 £'000	2010 £'000
Authorised:		
87,218,781 ordinary shares of £1 each	<u>87,218,781</u>	<u>20,426,175</u>
Allotted, issued and fully paid		
87,218,781 ordinary shares of £1 each	<u>87,218,781</u>	<u>20,426,175</u>

Ordinary shares carry the right to vote and participate in both dividends and any surplus arising on a winding up.

On 30th November 2011 the Company issued 66,792,606 ordinary shares of £1 each under the terms of the sale agreement under which Barclays Private Equity Ltd disposed of its entire interest in the Company to Cigna Holdings Overseas, Inc.

On 20th January, 2012 the Company cancelled 2,388,970 ordinary shares of £1 each by means of a capital reduction under Sections 641 to 644 of The Companies Act 2006.

FIRSTASSIST GROUP LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December 2011

11. RESERVES

	2011 £'000	2010 £'000
At 1 January 2011	(54,514)	(48,458)
Profit/(loss) for the financial year	38,804	(6,056)
Impairment in the carrying value of investments	(1,109)	-
	<u>(16,819)</u>	<u>(54,514)</u>
At 31 December 2011	(16,819)	(54,514)

The provision for impairment in the carrying value of investments reflects a write down from the historic cost of investments to the value that was realised upon the sale of the group to Cigna Holdings Overseas, Inc in November, 2011

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £'000	2010 £'000
At 1 January 2011	(34,088)	(28,032)
Profit for the financial year	38,804	(6,056)
Impairment in the carrying value of investmenst	(1,109)	-
Share Issue	66,793	-
	<u>70,400</u>	<u>(34,088)</u>
At 31 December 2011	70,400	(34,088)

13. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2011 (2010 £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 Limited and its subsidiaries

15. ULTIMATE PARENT COMPANY

The immediate 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 ultimate parent undertaking and controlling party at 31 December, 2011 was Cigna, Inc which is incorporated and registered in the United States of America, copies of whose consolidated financial statements can be obtained from 900 Cottage Grove Road, C8NAS Hartford, CT 06152 7314