

Refuge Assurance Limited
Annual report and financial statements
for the year ended 31 December 2007

Registered Number 1364



Refuge Assurance Limited

Annual report and financial statements

for the year ended 31 December 2007

Contents

Directors and independent auditors for the year ended 31 December 2007	1
Directors' report for the year ended 31 December 2007	2
Independent auditors' report to the members of Refuge Assurance Limited	4
Profit and loss account for the year ended 31 December 2007	5
Balance sheet as at 31 December 2007	6
Notes to the financial statements for the year ended 31 December 2007	7

Refuge Assurance Limited

Directors and independent auditors for the year ended 31 December 2007

Directors

Murray Ross (resigned 28 June 2007)

Stephen Shone

Michael Yardley

Secretary

Royal London Management Services Limited

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Hay's Galleria

1 Hay's Lane

London

SE1 2RD

Registered Office

55 Gracechurch Street

London

EC3V 0RL

Registered Number

1364

Refuge Assurance Limited

Directors' report for the year ended 31 December 2007

The directors present their annual report and audited financial statements for the year ended 31 December 2007. This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Principal activity

The company has not traded during the current or prior years. Previously the principal activity of the company was the transaction of ordinary long term insurance business.

On 1 January 2001 the whole of the long term business and the other assets and liabilities of the company were transferred to The Royal London Mutual Insurance Society Limited under a scheme under Part 1 of Schedule 2C of the Insurance Companies Act 1982. The company has not traded since. During 2004 the company cancelled its regulatory permissions as an insurance company.

Directors

The directors who held office during the year are given below.

Murray Ross (resigned 28 June 2007)

Stephen Shone

Michael Yardley

Directors' indemnities

The directors have the benefit of a qualifying third party indemnity provision (as defined in section 234 of the Companies Act 2006). The company's ultimate parent undertaking, The Royal London Mutual Insurance Society Limited, also maintains Directors' and Officers' liability insurance in respect of the company and its directors.

Statement of directors' responsibilities

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 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 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 confirm that they have complied with the above requirements in preparing the financial statements.

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.

Refuge Assurance Limited

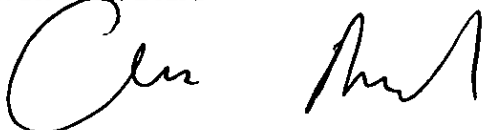
Directors' report for the year ended 31 December 2007 (continued)

Auditors and the provision of information to auditors

PricewaterhouseCoopers LLP are the incumbent auditors. An election is in force under section 386 of the Companies Act 1985 dispensing with the obligation to re-appoint auditors annually.

The directors who held office as 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 that each director has taken all steps that ought to have been taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Royal London Management Services Limited
Secretary
17 March 2008

Refuge Assurance Limited

Independent auditors' report to the members of Refuge Assurance Limited

We have audited the financial statements of Refuge Assurance 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.

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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 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 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
19 March 2008

Refuge Assurance Limited

Profit and loss account for the year ended 31 December 2007

	Note	2007 £	2006 £
Administrative expenses	2	(8,105)	(21,792)
Operating loss		(8,105)	(21,792)
Income from other fixed asset investments		-	47,809
Other interest receivable	3	3,377	9,848
(Loss)/profit on ordinary activities before tax		(4,728)	35,865
Tax on (loss)/profit on ordinary activities	4(1)	(212)	(13,687)
(Loss)/profit for the financial year	7	(4,940)	22,178

All of the above amounts are in respect of discontinued operations

There are no recognised gains or losses other than the loss for the year and accordingly no statement of total recognised gains and losses has been prepared

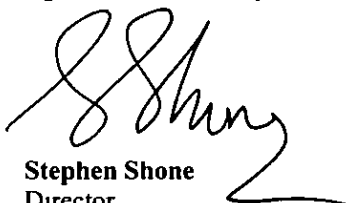
The accounting policies and notes on pages 7 to 10 form an integral part of these financial statements

Refuge Assurance Limited

Balance sheet as at 31 December 2007

	Note	2007 £	2006 £
Current assets			
Amounts due from group undertakings		-	87,304
Cash at bank and in hand		-	44,723
		-	132,027
Creditors: amounts falling due within one year			
Other creditors		-	(3,672)
Net current assets		-	128,355
Total assets less current liabilities		-	128,355
 Capital and reserves			
Called up share capital	6,7(u)	-	-
Profit and loss account	7	-	128,355
Total shareholders' funds	7(u)	-	128,355

The financial statements on pages 5 to 10 were approved by the board of directors on 17 March 2008 and signed on its behalf by



Stephen Shone
Director
17 March 2008

The accounting policies and notes on pages 7 to 10 form an integral part of these financial statements

Refuge Assurance Limited

Notes to the financial statements for the year ended 31 December 2007

1 Accounting policies

(i) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The company is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited and is included in the consolidated accounts of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within Financial Reporting Standard 1 (Revised 1996), 'Cash Flow Statements' from preparing a cash flow statement and the exemption within Financial Reporting Standard 8, 'Related Party Disclosures', not to disclose related party transactions with undertakings controlled within the group.

(ii) Other interest receivable

Other interest receivable is recognised on an accruals basis.

(iii) Taxation

Provision is made for taxation at current rates on the excess of investment income and taxable gains over expenses and relief for overseas taxation is taken where appropriate. Credit is taken for investment losses and excess expenses that can be surrendered as group relief to other group companies. Deferred taxation is provided on all untaxed gains and other timing differences, between their recognition in the financial statements and their recognition in the tax computations, except that overall assets are only recognised if, on the basis of all available evidence, it is regarded as more likely than not that the timing differences will reverse in the foreseeable future. The value of the resultant deferred tax assets and liabilities has been calculated on a discounted basis reflecting the fact that the timing differences are projected to reverse over several years. The discount rates used are the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with maturity dates similar to those of the deferred tax assets and liabilities.

2 Administrative expenses including directors', employees' and auditors' remuneration

Administrative expenses of £8,105 (2006: £21,792) comprise charges for the provision of services made under a management services agreement by Royal London Management Services Limited. The company has no employees (2006: none).

The directors received no remuneration in respect of their services to the company (2006: £nil).

The remuneration of the auditors, PricewaterhouseCoopers LLP, for the year was £530 (2006: £525) in respect of the audit of the company. Any fees payable to PricewaterhouseCoopers LLP and its associates for services other than the statutory audit of the company are not disclosed as the consolidated accounts of the parent company are required to disclose non-audit fees on a consolidated basis.

Refuge Assurance Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

3 Other interest receivable

Other interest receivable of £3,377 (2006 £9,848) comprises interest received on cash at bank

4 Tax on (loss)/profit on ordinary activities

	2007 £	2006 £
(i) Tax charged in the profit and loss account		
UK corporation tax charge at 30% (2006 30%) on the (loss)/profit for the year	212	13,746
Adjustments in respect of prior periods	-	(59)
Current tax charge for the year	212	13,687

(ii) Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 30%) applied to the (loss)/profit before tax. The differences are explained below

	2007 £	2006 £
(Loss)/profit on ordinary activities before tax	(4,728)	35,865
(Loss)/profit multiplied by the standard rate of UK corporation tax (30%)	(1,418)	10,760
Effects of		
Disallowed expenses	1,108	1,102
Interest imputed for tax purposes on intra-group debt	674	1,883
Adjustments in respect of prior periods	-	(59)
Group relief paid at a rate other than the standard rate of corporation tax	(152)	1
Current tax charge for the year	212	13,687

(iii) Deferred taxation

There is no unprovided deferred tax liability or unrecognised deferred tax asset in these financial statements

5 Dividends

	2007 £	2006 £
Interim paid £123,415 per 5p ordinary share	123,415	-

Refuge Assurance Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

6 Called up share capital

	2007 £	2006 £
Authorised		
81,220,371 ordinary shares of 5p each	4,061,019	4,061,019
Issued and fully paid		
1 ordinary share of 5p	-	-

7 Reserves

(i) Profit and loss account	2007 £	2006 £
At 1 January	128,355	(7,883,975)
(Loss)/profit for the financial year	(4,940)	22,178
Dividends paid (note 5)	(123,415)	-
Cancellation of called up share capital	-	1,188,981
Cancellation of share premium	-	6,801,171
At 31 December	-	128,355

During 2006 the company cancelled 23,779,629 ordinary shares and share premium of £6,801,171 by way of a petition to the court. The cancelled shares and share premium were transferred to the company's profit and loss account reserve.

(ii) Reconciliation of movements in total shareholders' funds

	Share capital £	Profit and loss account £	Total £
At 1 January 2007	-	128,355	128,355
Loss for the financial year	-	(4,940)	(4,940)
Dividends paid (note 5)	-	(123,415)	(123,415)
At 31 December 2007	-	-	-

Refuge Assurance Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

8 Ultimate parent undertaking and controlling party

RL Schedule 2c Holdings Limited, a company registered in England and Wales is the immediate parent undertaking. The Royal London Mutual Insurance Society Limited, a company registered in England and Wales, is the ultimate parent undertaking and controlling party.

The Royal London Mutual Insurance Society Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. Copies of the financial statements of The Royal London Mutual Insurance Society Limited and RL Schedule 2c Holdings Limited are available from the company's registered office.