

REPORT AND ACCOUNTS
Highway Insurance Agency Limited
31 DECEMBER 2008

Registered No. 3072449



Directory

Directors	P J Gallagher	(Resigned 23 January 2009)
	C D Hill	(Resigned 31 January 2009)
	R Kelsey	(Resigned 22 December 2008)
	A Milton	(Resigned 19 November 2008)
	J O'Roarke	(Appointed 19 November 2008)
	S Castle	(Appointed 19 November 2008)

Secretary	P Cassidy
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Auditors	KPMG Audit Plc 8 Salisbury Square London EC4Y 8BB
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Registered Office	County Gates Bournemouth BH1 2NF
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Directors' Report

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

Principal activity and review of business

The company did not trade during the period and hence incurred neither a profit nor a loss.

Results and dividends

The result for the year after taxation amounted to £nil (2007: £nil). The directors do not recommend the payment of a dividend (2007: £226,160).

Directors and their interests

The current directors of the company are set out on page 1.

The Company is a wholly owned subsidiary of Highway Group Services PLC. The ultimate parent company is Liverpool Victoria Friendly Society Limited, an incorporated Friendly Society registered under the Friendly Societies Act 1992.

The directors at 31 December 2008 had no interest in the share capital of the company at the beginning or the end of the year.

Provision of information to 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 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.

Auditors

As a consequence of the acquisition of the Company by the Liverpool Victoria (LV) group, the directors propose to appoint PricewaterhouseCoopers LLP, LV's auditor, as the Company's auditor in place of KPMG Audit PLC.

By order of the board



P Cassidy
Secretary

15 May 2009

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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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.

Independent Auditors' Report to the members of Highway Insurance Agency Limited

We have audited the financial statements of Highway Insurance Agency Limited for the year ended 31 December 2008 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 3.

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 with the company 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 UK 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.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants & Registered Auditor
8 Salisbury Square
London
EC4Y 8BB
15 May 2009

Profit and loss account

for the year ended 31 December 2008

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss and has no recognised gains or losses.

Balance sheet

as at 31 December 2008

	Notes	2008 £	2007 £
Current assets			
Debtors	6	400,000	400,000
Net assets		<u>400,000</u>	<u>400,000</u>
Capital and reserves			
Share capital	7	400,000	400,000
Total shareholder's funds - equity	8	<u>400,000</u>	<u>400,000</u>

These financial statements were approved by the board of directors and signed on its behalf on 15 May 2009.


S Castle
Director

Notes to the financial statements

31 December 2008

1 Accounting policies

a) Basis of preparation

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

b) Cash flow statements

Under Financial Reporting Standard Number 1, Cash Flow Statements, 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.

c) Group accounts

The Company is exempt by virtue of section 228 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.

2 Remuneration of Auditors

Auditors' remuneration was borne by Highway Insurance Group Plc.

3 Remuneration of Directors

The directors received no emoluments for their services to the Company (2007: £nil)

4 Staff numbers

The Company has no employees (2007: nil)

5 Dividends

	2008 £	2007 £
Amounts recognised as distributions to equity holders in the period		
2007 final dividend paid of £0.57	-	226,160

6 Debtors

	2008 £	2007 £
Amounts due from Highway Group Services PLC	400,000	400,000

Notes to the financial statements

31 December 2008

7 Called up share capital

	2008 £	2007 £
Authorised		
400,000 Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>
Allotted, issued and fully paid		
400,000 Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>

8 Reconciliation of movements in shareholder's funds

	2008 £	2007 £
Shareholders' funds at the beginning of the year and at the end of the year	<u>400,000</u>	<u>400,000</u>

9 Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 8(3) from disclosure of related party transactions with other entities included in the consolidated financial statements of Liverpool Victoria Friendly Society Limited.

10 Ultimate parent society

The ultimate parent company is Liverpool Victoria Friendly Society Limited, an incorporated Friendly Society registered under the Friendly Societies Act 1992. The immediate parent company is Highway Group Services PLC.

The consolidated accounts of Liverpool Victoria Friendly Society Limited are available to the public and may be obtained from the Company Secretary, County Gates, Bournemouth, BH1 2NF.