

COMPANY REGISTRATION NO: 3209941

**MEMBERSHIP SERVICES GENERAL LIMITED**

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**REPORT AND  
ACCOUNTS**

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**FOR THE YEAR ENDED 31 DECEMBER 2004**



**MEMBERSHIP SERVICES GENERAL LIMITED**

**REPORT AND ACCOUNTS 2004**

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# **MEMBERSHIP SERVICES GENERAL LIMITED**

## **DIRECTORS, OFFICERS AND REGISTERED OFFICE**

### **Directors**

D W Nicholls FCII

M W Rutherford BSc (Hons), MBA

R J Spragg BSc (Hons), FFA

### **Secretary**

V J Jerrard

### **Registered office**

County Gates

Bournemouth

BH1 2NF

Telephone: 01202 292333

Fax: 01202 751825

## MEMBERSHIP SERVICES GENERAL LIMITED

### DIRECTORS' REPORT

The directors submit their annual report and the audited accounts for the year to 31 December 2004.

**1. Results and dividends**

The profit on ordinary activities for the year after taxation was £98,258 (2003: £125,196). The directors do not propose any dividends in the current year (2003: £nil).

**2. Principal activities**

The company is engaged in offering general insurance business as an intermediary.

**3. Business review and future prospects**

Following the acquisition by Liverpool Victoria Friendly Society Limited, the business has gone into run off which gave rise to a profit before tax of £ 98,258 (2003: £126,743)

**4. Directors**

The present members of the Board and the members who served during the year are listed on page 2.

**5. Directors' interests**

The company is a subsidiary of Liverpool Victoria Friendly Society Limited, an incorporated Friendly Society registered under the Friendly Societies Act 1992.

The directors at 31 December 2004 had no interests in the share capital of the company at the beginning or end of the year.

**6. Auditors**

Pursuant to Section 386 of the Companies Act 1985, the company has elected to dispense with the obligation of appointing auditors annually.

**7. Employees**

The company utilised the staff and premises of Liverpool Victoria Friendly Society Limited in carrying out its activities in 2004.

**8. Introduction of the euro**

Costs associated with the introduction of the euro will be incurred by the parent society, Liverpool Victoria Friendly Society Limited.

The directors do not consider the impact of the euro on the company to be significant.

**APPROVED BY THE BOARD OF DIRECTORS AND SIGNED BY ORDER OF  
THE BOARD**



**V J Jerrard**  
Secretary

18 March 2005

## **MEMBERSHIP SERVICES GENERAL LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those accounts, 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 accounting standards have been followed;
- prepare the accounts on a 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, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEMBERSHIP SERVICES GENERAL LIMITED**

We have audited the company's accounts for the year ended 31 December 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 14. These accounts have been prepared on the basis of 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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if 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 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.

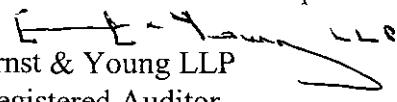
### **Basis of audit**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young LLP  
Registered Auditor  
1 More London Place  
London SE1 2AF  
18 March 2005

# MEMBERSHIP SERVICES GENERAL LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2004

	Note	2004 £	2003 £
Turnover	2	98,258	128,504
Administrative expenses	3	-	(6,919)
		<hr/>	<hr/>
Operating profit		98,258	121,585
Interest receivable		-	5,158
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		98,258	126,743
Tax on profit on ordinary activities	5	-	(1,547)
		<hr/>	<hr/>
<b>Retained profit for the financial year</b>	10	<u>98,258</u>	<u>125,196</u>

All amounts relate to continuing (run-off) activities.

There are no recognised gains or losses for the current financial year and the preceding financial year other than the profit for the financial year. Accordingly, no statement of total recognised gains and losses is given.

# MEMBERSHIP SERVICES GENERAL LIMITED

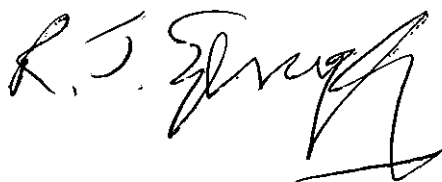
## BALANCE SHEET

31 December 2004

	Note	2004 £	2003 £
<b>Current assets</b>			
Debtors:			
Amounts due within one year	6	323,949	230,691
Creditors:			
Amounts falling due within one year	7	-	5,000
<b>Net current assets</b>		<u>323,949</u>	<u>225,691</u>
 <b>Capital and reserves</b>			
<b>Called up share capital</b>	9	100	100
<b>Reserves</b>			
Profit and loss account	10	323,849	225,591
<b>Equity shareholder's funds</b>	11	<u>323,949</u>	<u>225,691</u>

These accounts were approved by the Board of Directors on 18 March 2005  
Signed on behalf of the Board of Directors

Director





# MEMBERSHIP SERVICES GENERAL LIMITED

## NOTES TO THE ACCOUNTS

31 December 2004

### 1. Accounting policies

The accounts are prepared in accordance with applicable accounting standards. The significant accounting policies adopted are described below.

#### (a) Convention

The accounts are prepared in accordance with the historical cost convention.

#### (b) Deferred taxation

Deferred taxation is provided for in full on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts to the extent that it is probable that a liability or asset will crystallise in the future. In addition deferred taxation assets are recognised where it is more likely than not that they will be recoverable in the foreseeable future. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. Turnover

Turnover comprises commission income received on services provided to clients in the UK on a cash basis.

### 3. Administrative expenses

	2004 £	2003 £
Other operating costs	-	6,919
	<u>-</u>	<u>6,919</u>

Liverpool Victoria Friendly Society Limited, the ultimate parent society, is responsible for the management and administration of the company. Auditors remuneration in respect of services to the company amounted to £4,400 (2003: £4,000).

# MEMBERSHIP SERVICES GENERAL LIMITED

## NOTES TO THE ACCOUNTS

31 December 2004

### 4. Directors Emoluments

The directors received no emoluments in respect of services to the company. Directors are remunerated by Liverpool Victoria Friendly Society Limited (LVFS) in respect of their executive roles within the LVFS group.

### 5. Tax on profit on ordinary activities

	2004 £	2003 £
<b>(a) Analysis of charge in period</b>		
Current tax:		
UK corporation tax on profits for the period	-	-
Group relief	-	1,547
Total current tax (note 5(b))	<u>-</u>	<u>1,547</u>

#### (b) Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	<u>98,258</u>	<u>126,743</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003 : 30%)	29,477	38,023
Effects of:		
Unprovided deferred tax asset	(29,477)	(36,476)
Current tax charge for the period (note 5(a))	<u>-</u>	<u>1,547</u>

# MEMBERSHIP SERVICES GENERAL LIMITED

## NOTES TO THE ACCOUNTS

31 December 2004

### 6. Debtors

	2004	2003
	£	£
Due within one year		
Amount owed by other group undertakings	323,949	220,691
Other debtors	-	10,000
	<u>323,949</u>	<u>230,691</u>

### 7. Creditors: amounts falling due within one year

	2004	2003
	£	£
Accruals and deferred income	-	5,000
	<u>-</u>	<u>5,000</u>

### 8. Deferred taxation

	Provided		Not Provided	
	2004	2003	2004	2003
	£	£	£	£
Accelerated capital allowances	-	-	23,140	23,140
Tax losses carried forward	-	-	767,343	796,820
	<u>-</u>	<u>-</u>	<u>790,483</u>	<u>819,960</u>

# MEMBERSHIP SERVICES GENERAL LIMITED

## NOTES TO THE ACCOUNTS

31 December 2004

<b>9. Called up share capital</b>	<b>2004</b>	<b>2003</b>
Authorised	£	£
102,000 ordinary 'A' shares of £1 each	102,000	102,000
98,000 ordinary 'B' shares of £1 each	98,000	98,000
	<u>200,000</u>	<u>200,000</u>

Issued, allotted and fully paid

51 ordinary 'A' shares of £1 each	51	51
49 ordinary 'B' shares of £1 each	49	49
	<u>100</u>	<u>100</u>

The 'A' and 'B' shares rank pari passu in all respects as regards entitlement to a dividend, entitlement to a share in the surplus assets of the Company on liquidation of the Company and in voting rights.

<b>10. Profit and Loss account</b>	<b>2004</b>	<b>2003</b>
	£	£
Balance at 1 January	225,591	100,395
Profit for the year	98,258	125,196
Balance at 31 December	<u>323,849</u>	<u>225,591</u>

<b>11. Reconciliation of movement in equity shareholder's funds</b>	<b>2004</b>	<b>2003</b>
	£	£
Profit for the financial year	98,258	125,196
Opening equity shareholders' funds	225,691	100,495
Closing equity shareholders' funds	<u>323,949</u>	<u>225,691</u>

# **MEMBERSHIP SERVICES GENERAL LIMITED**

## **NOTES TO THE ACCOUNTS**

31 December 2004

### **12. Related Party Transactions**

Advantage has been taken of the exemption in Financial Reporting Standard Number 8 from disclosure of group related transactions. The ultimate controlling party is Liverpool Victoria Friendly Society Limited.

### **13. 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 Membership Services Direct Limited which is owned by Liverpool Victoria Friendly Society Limited.

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

### **14. Cash flow statement**

The directors have relied upon the exemption conferred in Financial Reporting Standard Number 1 revised, "Cash Flow Statements", relating to 90% or more controlled subsidiaries where the ultimate parent publishes group accounts, and accordingly no such statement has been produced.