

RHYS FRANCIS INSURANCE SERVICES LIMITED

**Report and Financial Statements
for the year ended 31 March 2010**



Company Registration No. 2957828

CONTENTS

	Page
General Information	
Directors' Report	1 - 2
Independent Auditor's Report	3 - 4
Balance Sheet	5
Notes to the Financial Statements	6 - 8

General Information

Directors

The directors at the date of this report were as follows

Mr D C Battle
Mr D J R Edmands

Secretary

The company secretary is Peake Company Secretaries Limited

Principal Bankers

Barclays Bank PLC
One Churchill Place
Canary Wharf
London E14 5HP

Auditors

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London SE1 2RD

Tax Advisors

Rawlinson & Hunter
6 New Street Square
New Fetter Lane
London EC4A 3AQ

Principal Lawyers

Clark Holt
Hardwick House
Prospect Place
Swindon SN1 3LJ

Registered Office

Hardwick House
Prospect Place
Swindon SN1 3LJ

General Information (continued)

Company Registration Number

2957828

Parent Company

The immediate parent company is Lorica Consulting (IFA) Limited, and the ultimate parent company is Primary Group Limited

Directors' Report

The directors present their annual report together with the audited financial statements of the company for the year ended 31 March 2010

Principal activities

The company did not trade during the year

Directors and directors' interests

The directors who currently hold or held office during the year were as follows

Mr C M Claridge-Ware (Resigned 4 May 2010)
Mr D C Battle
Mr D J R Edmands

No director had an interest in the share capital of the company during the year

Statement of directors' responsibilities

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, 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). 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 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 accounting 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,
- 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 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.

Statement as to disclosure of information to Auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' Report (continued)

Auditors

The Company has elected to dispense with the requirement to hold an Annual General Meeting and reappoint auditors annually. Accordingly PricewaterhouseCoopers LLP having indicated their willingness to do so, will continue as the Company's auditors.

Approved by the board of directors and signed on behalf of the board

A handwritten signature in black ink, appearing to read 'D C Battle', with a stylized flourish at the end.

Mr D C Battle
Director

Date 29 September, 2010

Independent auditors' report to the members of Rhys Francis Insurance Services Limited

We have audited the financial statements of Rhys Francis Insurance Services Limited for the year ended 31 March 2010 which comprise the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 March 2010,
- have been properly prepared in accordance with United Kingdom 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.

**Independent auditors' report to the members of Rhys Francis Insurance Services Limited
(continued)**

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



Roy Clark (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

30 September 2010

**Balance Sheet
as at 31 March 2010**

	Note	31 March 2010 £	31 March 2009 £
Current assets			
Debtors	3	8,762	8,762
Net current assets		8,762	8,762
Total assets less current liabilities		8,762	8,762
Capital and reserves			
Called up share capital	4	198	198
Profit and loss account		8,564	8,564
Shareholders' funds	5	8,762	8,762

The notes to the accounts on pages 6 to 8 form an integral part of these financial statements

The board of directors approved and authorised the issue of these financial statements on 29 September 2010

Signed on behalf of the board of directors



Mr D J R Edmands
Director

Notes to the financial statements for the year ended 31 March 2010

1. Accounting policies

The particular accounting policies adopted are described below

Basis of accounting

The financial statements are prepared under the historical cost convention of accounting and in accordance with applicable accounting standards

Cash flow statement and related party

The Company is a wholly owned subsidiary of Lorca Consulting (IFA) Limited and is included in the consolidated financial statements of Primary Group (UK) Limited. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (revised 1996) 'Cash Flow Statements' The Company is also exempt under the terms of Financial Reporting Standard No 8 'Related party disclosures' from disclosing related party transactions with entities that are part of the Primary Group (UK) Limited group or investors of Primary Group (UK) Limited

2. Profit and loss account

The Company has not traded or made profits or losses during the year Therefore, no profit and loss account is attached

The auditors' remuneration for the year has been borne by the parent company.

3. Debtors

	31 March 2010 £	31 March 2009 £
Amounts due from group undertakings	8,762	8,762

All amounts are due within twelve months of the balance sheet date

**Notes to the financial statements
for the year ended 31 March 2010**

4. Called up share capital

	31 March 2010 £	31 March 2009 £
Authorised:		
1,000 Ordinary shares of £1 each	1,000	1,000
1,000 Ordinary 'A' shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>2,000</u>	<u>2,000</u>
Allotted, issued & fully paid:		
99 Ordinary shares of £1 each	99	99
99 Ordinary 'A' shares of £1 each	<u>99</u>	<u>99</u>
	<u>198</u>	<u>198</u>

Ordinary 'A' shares hold no votes but allow the holders to participate in any dividends declared Ordinary 'B' shares hold voting rights but do not entitle the holders to receive dividend payments

5. Reconciliation of movements in shareholder's funds

	31 March 2010 £	31 March 2009 £
Opening shareholder's funds	8,762	8,762
Profit for the year	<u>-</u>	<u>-</u>
Closing shareholder's funds	<u>8,762</u>	<u>8,762</u>

6. Related party transactions

As permitted under Financial Reporting Standard No 8 'Related Party Disclosures', transactions between group companies which are owned and controlled by more than 90% of the voting rights have not been disclosed

**Notes to the financial statements
for the year ended 31 March 2010****7. Ultimate holding company**

The immediate parent company as at 31 March 2010 is Lorica Consulting (IFA) Limited, a company incorporated in the United Kingdom. The ultimate holding company is Primary Group Limited, a company incorporated in Bermuda.

In the opinion of the directors, at the date on which the accounts were approved, the ultimate controllers are the R&H Trust Co Ltd as trustee of two trusts in the Cayman Islands for the benefit of Mr P W H James and his family.

The largest group in which the results of the Company are consolidated is that of which Primary Group Limited is the parent company. The smallest such group is that of which Primary Group (UK) Limited is the parent company.

The registered address of Primary Group (UK) Limited is 3 More London Riverside, London SE1 2AQ.

8. Contingent liability

On 18 November 2008 the Company became a guarantor to a term facilities agreement entered into by Lorica Consulting Limited with Barclays Bank PLC ("the bank"). The principal obligation guaranteed is Lorica Consulting Limited's obligation to repay the credit facility by 18 November 2013. At 31 March 2010, there was £3,593,634 drawn down under these facilities (2009: £7,800,000). Each guarantor has entered into a debenture with the bank granting security over all present and future assets.