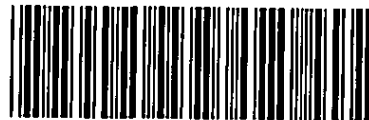


TCRU LIMITED

Report and Financial Statements  
for the year ended 30 June 2007

TUESDAY



\*P53QMD3N\*

PC3

08/09/2009

151

COMPANIES HOUSE

## CONTENTS

	Page
General Information	
Directors' Report	1
Independent Auditors' Report	3
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

## General Information

### Director

The director at the date of this report was as follows:

Mr P W H James (appointed 7 February 2007)

### Secretary

Ms T E Keill

### Principal Bankers

Barclays Bank  
Level 28  
One Churchill Place  
London E14 5HP

### Auditors

Mazars LLP  
Tower Bridge House  
St Katharine's Way  
London E1W 1DD

### Tax Advisors

Rawlinson & Hunter  
Eagle House  
110 Jermyn Street  
London SW1Y 6RH

### Registered Office

3 More London Riverside  
London SE1 2AQ

### Company Registration Number

3194222

### Parent Company

At 30 June 2007 the immediate parent company is TCRU Holdings Limited, a company incorporated in the Cayman Islands.

## Director's Report

The director presents the annual report together with the audited financial statements of the company for the year ended 30 June 2007. The comparatives stated are for the period ended 30 June 2006.

## Results and dividend

Turnover for the year ended 30 June 2007 was £(199,728) (2006: £(764,650)) and the loss attributable to shareholders of the company was £923,862 (2006: loss £3,604,072) after a tax charge of £Nil (2006: £Nil). The director does not recommend the payment of a dividend.

The shareholders' funds of the company show a deficit of £4,524,720 (2006 Deficit: £3,600,858). Subsequent to year end the Company received additional capital of £4,628,692 eliminating this deficit.

## Principal activities

The company's principal activities are that of a run off agent for insurance and reinsurance contracts, serving a diverse client base operating from locations throughout the world.

## Director's indemnity

No third party indemnity provision for the benefit of the Director was in place during the period or when the report was approved.

## Directors

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

Mr I M Bond	(resigned 25 April 2008)
Mr P James	(appointed 7 February 2007)

## Statement as to disclosure of information to auditors

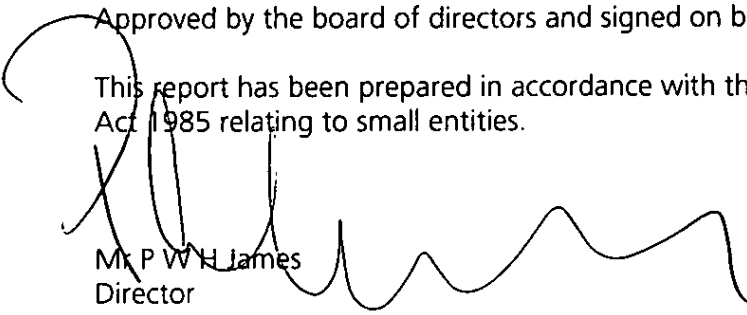
The directors have taken all the necessary steps to make us aware, as directors of any relevant audit information and to establish that the auditors are aware of that information.

## Auditors

Mazars LLP have signified their willingness to continue in office and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

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

This report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small entities.



Mr P W H James  
Director  
29 July 2009

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 year. 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; 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 the financial statements comply with the Companies Act. 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****TCRU LIMITED**

We have audited the financial statements of TCRU Limited for the year ended 30 June 2007 which comprise state the primary financial statements such as the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and 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 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 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 misstatement 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
TCRU LIMITED (continued)

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 company's affairs as at 30 June 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.



Mazars LLP  
Chartered Accountants  
and Registered Auditors  
Tower Bridge House  
St Katharine's Way  
London E1W 1DD

26 August 2009

**Profit and Loss Account  
for the year ended 30 June 2007**

	Note	Year ended 2007 £	18 months to 30 June 2006 £
Turnover	3	(199,728)	(764,650)
Management and other operating charges		<u>(723,804)</u>	<u>(2,727,128)</u>
<b>Operating loss</b>	4	(923,532)	(3,491,778)
Interest receivable		2,836	16,234
Interest payable	6	<u>(3,166)</u>	<u>(128,528)</u>
<b>Loss on ordinary activities before taxation</b>		(923,862)	(3,604,072)
Tax on loss on ordinary activities	7	<u>-</u>	<u>-</u>
<b>Loss on ordinary activities after taxation</b>	12	<u>(923,862)</u>	<u>(3,604,072)</u>

All activities derive from continuing operations. There are no recognised gains or losses, other than those reflected in the loss for the year. Accordingly, no statement of total recognised gains and losses is given.

The notes to the accounts on pages 7 to 12 form an integral part of these financial statements.



Balance Sheet  
as at 30 June 2007

	Note	30 June 2007 £	30 June 2006 £
<b>Current assets</b>			
Debtors	8	20,721,037	23,292,163
Cash at bank and in hand		<u>553,888</u>	<u>128,043</u>
		21,274,925	23,420,206
Creditors: (amounts falling due within one year)	9	<u>(19,342,529)</u>	<u>(20,929,754)</u>
Net current assets		<u>1,932,396</u>	<u>2,490,452</u>
Total assets less current liabilities		1,932,396	2,490,452
Creditors (amounts falling due after more than one year)	10	<u>(6,457,116)</u>	<u>(6,091,309)</u>
Net assets		<u>(4,524,720)</u>	<u>(3,600,858)</u>
<b>Capital and reserves</b>			
Called up share capital	11	750,000	750,000
Profit and loss account	12	<u>(5,274,720)</u>	<u>(4,350,858)</u>
	13	<u>(4,524,720)</u>	<u>(3,600,858)</u>

The notes to the accounts on pages 7 to 12 form an integral part of these financial statements.

The board of directors approved these financial statements on 29 July 2009.

These accounts are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small entities.

Signed on behalf of the board of directors.



Mr P W H James  
Director

## Notes to the financial statements for the year ended 30 June 2007

### 1. Accounting policies

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention of accounting.

#### Going concern

These financial statements have been prepared on a going concern basis as the company received additional capital of £4,628,692 on 19 May 2008, to eliminate the balance sheet deficit of £4,524,720 as at 30 June 2007.

#### Turnover

Turnover represents brokerage, commission and fees.

Brokerage is taken to income at the point when placement services are completed. Alterations to brokerage arising from returns and additional premiums, or other adjustments, are taken into account as and when these occur.

On certain contracts, brokerage is recognised on actuarial and internal projections of additional premiums due and accruing to expiry.

Where contractual obligations exist for the performance of post placement activities, and the cost of these activities is not expected to be covered by future income, a relevant proportion of revenue received on placement is deferred and recognised over the year during which these activities are performed.

#### Foreign currencies

Monetary assets and liabilities in foreign currencies are expressed in sterling at exchange rates ruling at the balance sheet date. Income and expenses in foreign currencies are translated into sterling at either rates of exchange ruling at the date on which the transactions occur or at a fixed rate and translated at the year end to reflect an average rate. Any differences arising on transactions in foreign currencies during the year are dealt with through the profit and loss account.

#### Deferred taxation

The charge for taxation is based on the profits for the year charged at the current rates of tax. Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed out by the balance sheet date except as otherwise required by FRS 19. Deferred tax assets are recognised to the extent that the directors consider these amounts recoverable.

## Notes to the financial statements for the year ended 30 June 2007

### 1. Accounting policies (continued)

#### Insurance debtors and creditors

In the normal course of insurance broking and underwriting, settlement is required to be made with certain markets, market settlement bureaux or insurance intermediaries on the basis of the net settlement due to or from that market, bureau or intermediary in question, rather than the amounts due to or from the individual parties which it represents. Insurance debtors and creditors reflect the gross value of premiums and claims and together with related cash balances, have been included within the assets and liabilities of the company in accordance with current market practice.

Insurance debtors and creditors are reported in accordance with the requirements of Financial Reporting Standard No. 5 'Reporting the Substance of Transactions' (FRS 5). The standard precludes assets and liabilities being offset unless net settlement is legally enforceable and as a result the insurance broking debtors and creditors have been shown as the gross amounts due in respect of each contract, instead of the net amount due to or from clients and underwriters.

#### Pensions

The group operates non-contributory defined contribution grouped personal pension plans covering the majority of permanent employees where subsidiaries have elected to participate. The assets of the plans are held separately from those of the group in independently administered funds for individual members of staff. The plans are funded by contributions that are charged to profit and loss account as incurred in accordance with the employment contract of each director or employee.

### 3. Turnover

In the directors opinion the disclosure of segmental information would be prejudicial to the interests of the company so has therefore not been included in the financial statements.

### 4. Operating loss

The operating loss which originated in the United Kingdom for the year is arrived at after charging:	2007	18 months to 30 June 2006
	£	£
Auditors' remuneration	35,000	12,000

### 5. Information regarding directors and employees

No emoluments were paid to the directors for their services for the year end 30 June 2007 or in the preceding period.

Notes to the financial statements  
for the year ended 30 June 2007

5. Information regarding directors and employees (continued)

	2007 £	18 months to 30 June 2006 £
Staff costs		
Wages and salaries, social security and pension costs	-	195,881
	<hr/>	<hr/>
	2007 No.	2006 No.
The average number of persons, including executive directors, employed by the company during the year was:	-	3
	<hr/>	<hr/>
The number of directors for the benefit of whom the company or a related company made contributions to a money purchase pension scheme during the year was:	-	-
	<hr/>	<hr/>

6. Interest payable

	2007 £	18 months to 30 June 2006 £
Bank interest	3,166	-
Other interest	-	128,528
	<hr/>	<hr/>

7. Taxation

(a) Analysis of charge in year	2007 £	18 months to 30 June 2006 £
Based on profit for the year at 30% (2006: 30%)	-	-
Adjustment to tax in respect of prior year	-	-
	<hr/>	<hr/>
Current tax charge for the year (note 7(b))	-	-
	<hr/>	<hr/>

Notes to the financial statements  
for the year ended 30 June 2007

7. Taxation (continued)

(b) Factors affecting tax (credit) / charge for the period	2007 £	18 months to 30 June 2006 £
The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%) The differences are explained below:		
Loss on ordinary activities before tax	(923,862)	(3,604,072)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006: 30%)	(277,159)	(1,081,222)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	319
Losses carried forward not recognised	277,159	1,080,903
Adjustment to tax in respect of prior year	-	-
Current tax charge for the year (note 7(a))	-	-

8. Debtors

	2007 £	2006 £
Insurance debtors	20,671,037	23,061,273
Other debtors	-	136,807
Prepayments and accrued income	50,000	94,083
	20,721,037	23,292,163

Included within insurance debtors are amounts of £16,219,543 (2006: £17,772,768) due from group undertakings. Insurance debtors represent premiums due from policyholders and claims due from underwriters, in each case collected on behalf of the principal and passed on to the policyholder or underwriter after deduction of any commissions or other sums due to third parties or the group.

Notes to the financial statements  
for the year ended 30 June 2007

9. Creditors: amounts falling due within one year

	2007 £	2006 £
Bank overdraft	80,460	-
Insurance creditors	17,325,751	18,341,847
Amounts due to group undertakings	1,815,642	1,993,812
Other creditors	73,676	143,769
Accruals and deferred income	47,000	450,326
	<u>19,342,529</u>	<u>20,929,754</u>

Included within insurance creditors are amounts of £3,892,825 (2006: £4,228,516) due to group undertakings. Insurance creditors represent those amounts due to the policyholder or underwriter concerned together with any third party commissions or other sums due.

10. Creditors: amounts falling due after more than one year

	2007 £	2006 £
Directors' loan accounts	2,541,193	2,118,867
Amounts due to related parties	<u>3,915,923</u>	<u>3,972,442</u>
	<u>6,457,116</u>	<u>6,091,309</u>

11. Called up share capital

	2007 £	2006 £
Authorised: 1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued & fully paid: 750,000 Ordinary shares of £1 each	<u>750,000</u>	<u>750,000</u>

12. Statement of movements on reserves

	2007 £	2006 £
Profit and loss account		
At 1 July	(4,350,858)	(746,786)
Loss for the year	<u>(923,862)</u>	<u>(3,604,072)</u>
30 June	<u>(5,274,720)</u>	<u>(4,350,858)</u>

Notes to the financial statements  
for the year ended 30 June 2007

13. Reconciliation of movements in shareholder's funds

	2007 £	2006 £
At 1 July / 1 January	(3,600,858)	3,214
Retained loss for the year	<u>(923,862)</u>	<u>(3,604,072)</u>
At 30 June	<u>(4,524,720)</u>	<u>(3,600,858)</u>

14. Post balance sheet events

On 19 May 2008, the Company increased its authorised share capital and issued share capital by £4,400,000 and £4,628,692, respectively.

15. Related party transactions

At the year end, the following amounts were due to related parties, included within creditors.

Name of related party	Amount	Relation
P W H James	<u>£2,289,409</u>	Director
I M Bond	<u>£257,784</u>	Director
Primary Group Limited	<u>£3,828,434</u>	Under common control , by virtue of common directors
Primary Group Intermediary Services Limited	<u>£17,421</u>	Under common control , by virtue of common directors

Within insurance balances the following amounts were outstanding, at the year end:

Name of related party	Debtor	Creditor
TCRU (Bermuda) Limited	<u>£16,219,543</u>	<u>£3,892,825</u>
Primary Group Intermediary Services Limited	<u>£1,327,648</u>	<u>£5,993,368</u>

16. Immediate Parent Company & Ultimate Controlling Party

The ultimate holding company is TCRU Holdings Limited, a company incorporated in the Cayman Islands. In the opinion of the directors, the ultimate controllers at this date are the trustees of NUSA Trust and JIWO Trust, both trust companies being incorporated in the Cayman Islands.