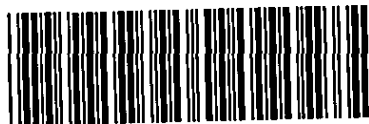


**VEGA INSURANCE SERVICES LIMITED**

**Report and Financial Statements  
for the year ended 31 March 2009**

**SATURDAY**



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**COMPANIES HOUSE**

**Company Registration No. 4878623**

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## **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**

4878623

**Parent Company**

The immediate parent company is Lorica Consulting 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 2009.

**Principal activities**

The principal activity of the Company is that of a holding company and investment in predominantly commercial insurance brokers within the UK.

**Results and dividend**

Turnover was £nil (2008: £nil) and the loss attributable to shareholders for the company for the year ended 31 March 2009 was £546,547 (2008: £670,294) after a tax credit of £213,106 (2008: £303,605). The directors do not recommend the payment of a dividend for the year ended 31 March 2009 (2008: £nil).

**Directors**

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

Mr D C Battle  
Ms K M Coomber (Resigned 31 December 2008)  
Mr D J R Edmands

**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 period. The directors are required to 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 suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2009 in accordance with applicable law and United Kingdom Generally Accepted Accounting Practices.

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.

**Directors' Report (continued)****Statement as to disclosure of information to auditor**

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.

**Auditors**

The Company has elected to dispense with the requirement to hold an Annual General Meeting and reappoint auditors annually. Accordingly PricewaterhouseCoopers 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.



Mr D C Battle  
Director

Date 29/9/09

**Independent auditor's report to the members of Vega Insurance Services Limited**

We have audited the financial statements of Vega Insurance Services Limited for the year ended 31 March 2009 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 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.

**Independent auditor's report to the members of Vega Insurance Services 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 the company's affairs as at 31 March 2009 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 Director's Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

Date *30 September 2009*



**Profit and Loss Account  
for the year ended 31 March 2009**

	Note	31 March 2009 £	31 March 2008 £
<b>Turnover</b>	2	-	-
Administrative expenses		-	(2,312)
<b>Operating profit/(loss)</b>	3	-	(2,312)
Interest receivable and similar income	4	7,576	13,844
Interest payable and similar charges	5	(767,229)	(985,431)
<b>Loss on ordinary activities before taxation</b>		(759,653)	(973,899)
Tax credit on loss on ordinary activities	6	213,106	303,605
<b>Loss for the year</b>	13	(546,547)	(670,294)

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

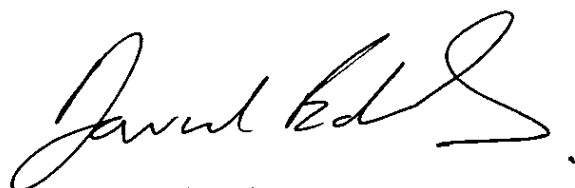
The notes to the accounts on pages 7 to 12 form an integral part of these financial statements.

**Balance Sheet**  
as at 31 March 2009

	Note	31 March 2009 £	31 March 2008 £
<b>Fixed assets</b>			
Investments	7	11,802,842	11,802,842
<b>Current assets</b>			
Debtors	8	329,987	486,818
Cash at bank and in hand		-	4,302
		<u>329,987</u>	<u>491,120</u>
<b>Creditors: (amounts falling due within one year)</b>	9	<u>(14,039,532)</u>	<u>(7,835,296)</u>
<b>Net current liabilities</b>		<u>(13,709,545)</u>	<u>(7,344,176)</u>
<b>Total assets less current liabilities</b>		(1,906,703)	4,458,666
<b>Creditors: (amounts falling due after more than one year)</b>	10	<u>-</u>	<u>(5,818,822)</u>
<b>Net liabilities</b>		<u>(1,906,703)</u>	<u>(1,360,156)</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,000,000	1,000,000
Profit and loss account	12	<u>(2,906,703)</u>	<u>(2,360,156)</u>
<b>Shareholder's funds</b>	13	<u>(1,906,703)</u>	<u>(1,360,156)</u>

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

The board of directors approved and authorised the issue of these financial statements on 29th September 2009  
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 2009****1. Accounting policies****Basis of accounting**

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention of accounting and on a going concern basis due to the support of the parent company. The particular accounting policies adopted are described below.

**Going concern**

The balance sheet shows net current liabilities of £13,709,545 (2008: £7,344,176) including net amounts due to group undertakings of £13,850,272 (2008: £7,485,943). The directors have received written confirmation from Primary Group (UK) Limited that it will make available sufficient funds to enable the Company to continue to meet its obligations and will not demand repayment of any inter group loans until the Company is in a position to repay. Accordingly the directors have determined that it is appropriate to prepare the financial statements on a going concern basis.

**Consolidation**

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about it as a group.

**Deferred taxation**

The charge for taxation is based on the profits for the period 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 Financial Reporting Standard No. 19 'Deferred Tax'. Deferred tax assets are recognised to the extent that the directors consider these amounts recoverable.

**Investments**

Investments held as fixed assets are stated at cost less provisions for any impairment.

**Cash flow statement and related party**

The Company is a wholly owned subsidiary of Lorica Consulting 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.

**Notes to the financial statements  
for the year ended 31 March 2009**

**2. Turnover**

The Company's activities consist solely of investment in predominantly commercial insurance brokers within the UK.

**3. Operating profit/(loss)**

	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>
The operating profit/(loss) which originated in the United Kingdom for the period was arrived at after charging:		
Auditors' remuneration – PricewaterhouseCoopers LLP - audit of financial statements	-	14,507

The auditors' remuneration for the year has been borne by the immediate parent company Lorica Consulting Limited (See Note 14).

**4. Interest receivable and similar income**

	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>
Interest receivable on inter company loans (See Note 8)	7,576	13,844

**5. Interest payable and similar charges**

	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>
Interest payable on inter company loans (See Note 9)	767,229	985,431

**6. Taxation**

**(a) Analysis of credit in year**

	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>
Based on loss for the year at 28% (2008: 30%)		
Group relief	(213,230)	(293,112)
Adjustment in respect of prior periods	124	(10,493)
Current tax credit for the year (note 6(b))	(213,106)	(303,605)

**Notes to the financial statements  
for the year ended 31 March 2009**

**6. Taxation (continued)**

**(b) Factors affecting tax credit for the year**

	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>
The tax assessed for the year differs from the standard rate of corporation tax in the UK ,28%(30%)		
The differences are explained below:		
Loss on ordinary activities before tax	(759,653)	(973,899)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 30%)	(212,703)	(292,170)
<i>Effects of:</i>		
Capital allowances in excess of depreciation	(527)	(942)
Adjustment in respect of prior periods	124	(10,493)
Current tax credit for the year (note 6(a))	(213,106)	(303,605)

**7. Fixed asset investments**

<b>Cost</b>	<b>Shares in subsidiary undertakings £</b>
At 1 April 2008	11,802,842
Additions in the year	-
At 31 March 2009	11,802,842

Additional information on principal subsidiary undertakings is as follows:

<b>Company name</b>	<b>Class of shares held</b>	<b>Percentage of shares held</b>	<b>Country of incorporation</b>	<b>Nature of business</b>
Lorica General Insurance Limited	Ordinary	100%	United Kingdom	Insurance Broking
The Thompson Rudd Group Limited	Ordinary	100%	United Kingdom	Dormant
Parkwood Sinclair Insurance Brokers Limited	Ordinary	100%	United Kingdom	Dormant
Jobson James and Associates Limited	Ordinary	100%	United Kingdom	Dormant

**Notes to the financial statements  
for the year ended 31 March 2009**

**8. Debtors**

	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>
Amounts due from group undertakings	179,986	336,817
Unpaid share capital	1	1
Other debtors	<u>150,000</u>	<u>150,000</u>
	<u>329,987</u>	<u>486,818</u>

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

Amounts due from group undertakings comprise a series of temporary loans or cash sweep agreements which earn interest at the Bank of England Base Rate plus 2% and are repayable on demand.

**9. Creditors: amounts falling due within one year**

	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>
Amounts owed to group undertakings	14,030,258	7,822,760
Other creditors	9,274	8,844
Accruals and deferred income	<u>-</u>	<u>3,692</u>
	<u>14,039,532</u>	<u>7,835,296</u>

Amounts owed to group undertakings comprise a series of temporary loans or cash sweep agreements which accrue interest at the Bank of England Base Rate plus 2% and are repayable on demand.

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. Each guarantor has entered into a debenture with the bank granting security over all present and future assets.

**Notes to the financial statements  
for the year ended 31 March 2009**

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

	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>
Amounts owed to group undertakings	-	5,818,822

As part of the refinancing by the Company's immediate parent Lorica Consulting Limited with Barclays Bank PLC on 18 November 2008, the £5,818,822 loan from Primary Group (UK) Limited was transferred to Lorica Consulting Limited and is included in Amounts due to group undertakings within Creditors: amounts falling due within one year, incurring interest at the same Bank of England Base Rate plus 2%.

**11. Called up share capital**

	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>
<b>Authorised:</b>		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
<b>Allotted &amp; issued:</b>		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000

**12 Statement of movement on reserves**

	<b>Profit and loss account £</b>
At 1 April 2008	(2,360,156)
Retained loss for the year	(546,547)
At 31 March 2009	(2,906,703)

**Notes to the financial statements  
for the year ended 31 March 2009**

**13 Reconciliation of movements in shareholder's funds**

	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>
Opening shareholder's funds	(1,360,156)	(689,862)
Retained loss for the year	<u>(546,547)</u>	<u>(670,294)</u>
Closing shareholder's funds	<u>(1,906,703)</u>	<u>(1,360,156)</u>

**14. Ultimate holding company**

The immediate parent company as at 31 March 2009 is Lorica Consulting Limited, a company incorporated in the United Kingdom.

Primary Group Limited, incorporated in Bermuda, is regarded by the directors of the Company as the Company's ultimate parent company.

The largest group in which the results of the Company are consolidated is that of which Primary Group Limited is the parent company. At the date on which the accounts were approved by the directors, the ultimate controlling party is R&H Trust Co. Ltd as trustee for three trusts established in the Cayman Islands for the benefit of Mr P W H James and his family.

The smallest such group is that of which Primary Group (UK) Limited is the parent company.