COMPANY REGISTRATION NO: 4364241

AYRESBROOK LIMITED

REPORT
AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2008

AYRESBROOK LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008
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DIRECTORS, OFFICERS AND REGISTERED OFFICE

Directors

K W Abercromby
P B Cassidy

Secretary
P B Cassidy

Registered office
County Gates
Bournemouth
BH1 2NF

Tel: 01202 292333
Fax: 01202 751825

Auditors
PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors
Hay's Galleria
1 Hays Lane
London
SE1 2RD

DIRECTORS' REPORT

The Directors submit their annual report and the audited accounts for the year to 31 December 2008.

1. Results and Dividends
The company did not trade during the year and consequentially it did not make a profit or loss. The directors did not approve any dividends in the current year (2007: £nil).

2. Principal activities
The principal activity of the company is as a holding company.

3. Review and developments
(a) Results and performance
During 2008 Ayresbrook made a £500 investment in Vista Consortium GP, the company will manage the investment made by Liverpool Victoria Friendly Society Limited and Goldtique Limited.

The Board sets key performance indicators (KPI) and targets, which it monitors on a regular basis throughout the year. These KPI change from time to time as objectives and priorities change

(b) Principal risks and uncertainties
Given the nature of the operations the directors do not consider there are any significant risks and uncertainties facing the company

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

5. Basis of preparation
The accounts for the Company are presented using International Financial Reporting Standards as adopted in the European Union, drawn on a going concern basis. This is the first time that the accounts have been so presented and more detail on the change from UK Generally Accepted Accounting Principles previously adopted is given in note 11. The Directors are satisfied that the Company has adequate resources to continue business for the foreseeable future and accordingly the going concern basis is appropriate.

6. Parent Company
The Company is a wholly owned subsidiary of Liverpool Victoria Asset Management Limited. The ultimate parent company is Liverpool Victoria Friendly Society Limited, an incorporated Friendly Society registered under the Friendly Societies Act 1992.

7. Employees
The company utilised the staff and premises of Liverpool Victoria Friendly Society Limited in carrying out its activities in 2008.

8. Statement of disclosure of information to the auditor

Each Director at the date of this report confirms that:
1) so far as he is aware, there is no information relevant to the audit of the Company's accounts for the year ended 31 December 2008 of which the auditor is unaware; and
2) the Director has taken all steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

During the year Ernst & Young LLP resigned as auditor and PricewaterhouseCoopers LLP was appointed in succession.

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

9. Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with International Financial Reporting Standards and applicable law. The accounts are required by law to 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, subject to any material departures disclosed and explained in the accounts;
- 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.

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

P B Cassidy
Secretary
~~June~~ 2009
18 September

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AYRESBROOK LIMITED

We have audited the financial statements of Ayresbrook Limited for the year ended 31 December 2008 which comprise 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 financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 whether the financial statements have been 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 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 IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2008;
- 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hays Lane
London
SE1 2RD
25 September ~~June~~ 2009

AYRESBROOK LIMITED

BALANCE SHEET

31 DECEMBER 2008

	Note	2008 £	2007 £
Assets			
Investments in group undertakings	5	501	1
Total assets		501	1
Liabilities			
Trade and other payables	6	500	-
Total liabilities		500	-
Equity			
Called up share capital	7	1	1
Total equity		1	1
Total liabilities and equity		501	1

These financial statements were approved by the Board of Directors on 18 September ~~April~~ 2009.

Signed on behalf of the Board of Directors.

Director

1. Accounting policies

Basis of preparation

These accounts of Liverpool Victoria General Insurance Group Limited have been prepared in accordance with the International Financial Reporting Standards (IFRS). IFRS 1, First-time Adoption of International Financial Reporting Standards, with the provisions of section 255 and Schedule 9A to the Companies Act 1985 has been applied in preparing these accounts. These accounts are the first accounts to be prepared in accordance with IFRS.

Reconciliations and descriptions of the effects of the transition from Generally Accepted Accounting Principles (GAAP) to IFRS on the Company's income statement and balance sheet are given in note 11.

These accounts have been prepared under historic cost convention, as modified by the revaluation of financial assets and liabilities at fair value through the profit and loss.

The preparation of the accounts in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the accounts are disclosed below.

Basis of Consolidation

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985, as it is a subsidiary undertaking of Liverpool Victoria Friendly Society Limited, a company incorporated in England and is included in the consolidated accounts of that company.

Investments in group entities

Investments in group entities comprises investments in subsidiaries and joint ventures. These are shown at the lower of cost less any provision for permanent diminution in value. An assessment of the realisable value is made at the year end and, if the directors assess that there has been a permanent fall in that value below the carrying value, a provision is made to bring the carrying value down to the assessed realisable value.

FUTURE CHANGES IN ACCOUNTING POLICIES

i) Amendments to published standards effective in 2008

The following amendments to published standards are mandatory for the Company's accounting periods beginning on or after 1 January 2008:

IAS 39 (Amendment), 'Reclassification of financial assets'. An amendment to the standard, issued in October 2008, permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. The Company has elected not to reclassify such financial assets; as such, this amendment has no impact on the Company's financial statements.

FUTURE CHANGES IN ACCOUNTING POLICIES (continued)

(ii) Interpretations effective in 2008 but not relevant to the Company's operations

FRIC 11, 'IFRS 2 – Group and treasury share transactions' – not applicable

IFRIC 12, 'Service concession arrangements' – not applicable.

IFRIC 13, 'Customer loyalty programmes' – not applicable

IFRIC 14, 'IAS 19 – not applicable

(iii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2009 or later periods, but the Company has not early adopted them:

IFRS 1, 'First-time adoption of IFRS' and IAS 27, 'Consolidated and separate financial statements' (effective from 1 January 2009) – The amended standard allows first-time adopters to deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statement. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. This amendment has not been early anticipated.

IAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company will apply IAS 1 (Revised) from 1 January 2009. It is likely to have one performance statement.

FUTURE CHANGES IN ACCOUNTING POLICIES (continued)

IAS 1 (Amendment), 'Presentation of financial statements' (effective from 1 January 2009). The amendment is part of the IASB's annual improvement project published in May 2008. The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39, 'Financial instruments: Recognition and measurement' are examples of current assets and liabilities respectively. This is not expected to an impact on the Company as it currently carries no assets and liabilities held for trading.

IAS 27 (Revised), 'Consolidated and separate financial statements' (effective from 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Company will apply IAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 January 2010.IAS 27 (Amendment), 'Consolidated and separate financial statements' (effective from 1 January 2009).

Where an investment in a subsidiary that is accounted for under IAS 39, 'Financial instruments: Recognition and measurement' is classified as held for sale under IFRS 5, 'Non-current assets held for sale and discontinued operations', IAS 39 would continue to be applied. The amendment will not have an impact on the Company's operations because it is the Company's policy for an investment in subsidiary to be recorded at cost in the standalone accounts of each entity.

IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009). The amendment is part of the IASB's annual improvement project published in May 2008. Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Company will apply the IAS 28 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 January 2009.

IAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009). The amendment is part of the IASB's annual improvement project published in May 2008. A pre-payment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. The Company will apply the IAS 38 (Amendment) from 1 January 2009. This standard is not expected to have a significant impact on the Company results.

FUTURE CHANGES IN ACCOUNTING POLICIES (continued)

(iv) Interpretations and amendments to existing standards that are not yet effective and not relevant for the Company's operations

The following interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2009 or later periods but are not relevant for the Company's operations:

IFRS 2 (Amendment), 'Share-based payment' (effective from 1 January 2009) – not applicable

IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009) – not applicable

There are a number of minor amendments to IFRS 7, 'Financial instruments: Disclosures', IAS 8, 'Accounting policies, changes in accounting estimates and errors', IAS 10, 'Events after the reporting period', IAS 18, 'Revenue' and IAS 34, 'Interim financial reporting' – not applicable

IFRS 5 (Amendment), 'Non-current assets held for sale and discontinued operations' (and consequential amendment to IFRS 1, 'First-time adoption of IFRS') (effective from 1 July 2009) – not applicable

IFRS 8, 'Operating segments', is mandatory for the Company's accounting periods beginning on or after 1 January 2009 – not applicable

FRIC 16, 'Hedges of a net investment in a foreign operation' (effective from 1 October 2008) – not applicable

IAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7, 'Statement of cash flows') (effective from 1 January 2009) – not applicable

IAS 19 (Amendment), 'Employee benefits' (effective from 1 January 2009) – not applicable

IAS 20 (Amendment), 'Accounting for government grants and disclosure of government assistance' (effective from 1 January 2009) – not applicable

IAS 23 (Revised), 'Borrowing costs' (effective from 1 January 2009) – not applicable

IAS 23 (Amended), 'Borrowing costs' (effective from 1 January 2009) – not applicable

IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial instruments: Presentation' and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009) – not applicable

FUTURE CHANGES IN ACCOUNTING POLICIES (continued)

IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial instruments: Presentation' and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009

IAS 29 (Amendment), 'Financial reporting in hyperinflationary economies' (effective from 1 January 2009) – not applicable.

IAS 31 (Amendment), 'Interests in joint ventures (and consequential amendments to IAS 32 and IFRS 7) (effective from 1 January 2009) – not applicable

IAS 32 (Amendment), 'Financial instruments: Presentation', and IAS 1 (Amendment), 'Presentation of financial statements' – 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2009) – not applicable

IAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009) – not applicable

IAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from 1 January 2009).

IAS 39 (amendment) 'Eligible hedged items' (effective from 1 July 2009) – not applicable

IAS 40 (Amendment), 'Investment property' (and consequential amendments to IAS 16) (effective from 1 January 2009) – not applicable

IAS 41 (Amendment), 'Agriculture' (effective from 1 January 2009) – not applicable

IFRIC 15, 'Agreements for construction of real estates' (effective from 1 January 2009) – not applicable

IFRIC 17, 'Distributions of non-cash assets to owners' (effective from 1 July 2009) – not applicable

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application.

2. Profit and Loss Account

The company has not traded, made profits or losses not during the year ended 31 December 2008. Therefore, no profit and loss account is attached.

3. Administrative expenses

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 for the audit amounted to £1,000 (2007: £nil). During 2008 Ernst & Young LLP resigned as auditors and PricewaterhouseCoopers LLP were appointed. There were no other services carried out by the auditors in respect of this company.

4. Directors

The aggregate amount of directors' emoluments was as follows:

	2008	2007
	£	£
a. Aggregate emoluments	**666,056**	401,621

b. There were no contributions to the money purchase pension scheme in 2008 (2007: £nil).

c. Emoluments of the directors were as follows:

	Salary	Bonus	Other Benefits	Total 2008	Total 2007
	£	£	£	£	£
Highest paid director	**272,500**	**150,000**	**10,950**	**433,450**	229,157
All directors	**444,156**	**200,000**	**21,900**	**666,056**	401,621

All directors are remunerated by Liverpool Victoria Friendly Society (LVFS) in respect of their executive roles within the group. Services provided to the company during the year are minimal.

Other benefits include contributions to funded unapproved retirement benefit schemes, car allowances, medical, relocation and other benefits in kind or their equivalent monetary value.

LVFS has made no contributions to personal pension arrangements during 2007 or 2008.

d. Pension arrangements

P.B. Cassidy and K.W. Abercromby are members of the Liverpool Victoria (1994) Staff Pension Scheme, which is a defined benefit scheme.

LVFS makes contributions to the LV= Employee Pension Scheme of 20.6% of pensionable salaries less £6.1m (2007: 20.6% of pensionable salaries less 6.1m) in respect of all permanent staff, including executive directors.

	2008	2007
Accrued pension at end of period	**£'000**	£'000
Highest paid director	**7,150**	4,771
All directors	**14,912**	6,792

5. Investment in group undertakings

Invesments in subsidiaries

	2008 £	2007 £
At 1 January and 31 December	1	1

This represents the investment in shares in subsidiary undertakings. Additional information on the company's subsidiary undertakings is set out below:

Name	Country of incorporation and domicile	Proportion of share capital held	Nature of business
The Great Victoria Partnership (G.P.) Limited	England	100%	Dormant
The Great Victoria Partnership (G.P.) (No.2) Limited	England	100%	Dormant
Great Victoria Property Limited	England	100%	Dormant
Great Victoria Property (No.2) Limited	England	100%	Dormant

Investment in joint venture

	2008 £	2007 £
Investment in joint venture	500	-

On 18 January 2008, the Company made a £500 investment in Vista Consortium GP, the company that will manage the investment made by Liverpool Victoria Friendly Society Limited and Goldtique Limited.

AYRESBROOK LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 2008

6. Trade and other payables

	2008	2007
	£	£
Amount owed to Group Undertakings	**500**	-
	500	-

All trade and other payable liabilities are due within one year. (2007 1 year)

7. Called up share capital

	2008	2007
	£	£
Authorised		
100 ordinary shares of £1 each	**100**	100

	2008	2007
	£	£
Issued, allotted and fully paid		
1 ordinary share of £1 each	**1**	1

8. Ultimate parent company

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 Liverpool Victoria Asset Management 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

or at www.lv.com/aboutus/report

9. Related party transactions

Balances outstanding between the Company and LV Group:

	2008	2007
	£	£
Trade payables under 1 year	**500**	-

The Company enters into transactions with key management personnel in the normal course of business. All transactions are carried out on an arm's length basis.

Key management personnel of the Group include all directors, executive and non-executive, and senior management (the Board and the Executive Committee). The summary of the compensation of key management personnel for the year is as follows:

	2008	2007
	£	£
Salaries	**444,156**	285,645
Bonuses	**200,000**	100,000
Other short term employment benefits	**21,900**	15,976
	666,056	401,621

All key management personnel are remunerated by LVFS. Services provided to the company in the year are minimal.

10. Cash flow statement

The company has not prepared a Cash Flow Statement in accordance with International Accounting Standard 7 as it does not hold any cash or bank accounts. All of the company's liabilities are met by LV Financial Services.

11. IFRS 1 – First time adoption if International Accounting Standards

There are no differences in the Company's Balance Sheet or movement in the Profit and Loss Account as at 1 January 2007 and as at 31 December 2007 under IFRS from that previously prepared under UK GAAP.