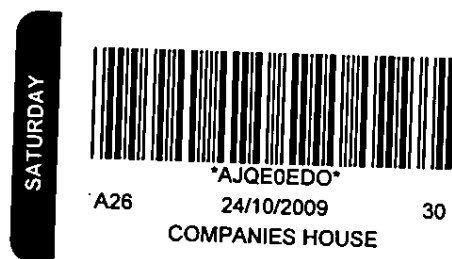


PRIMARY GROUP SERVICES LIMITED

Report and Financial Statements

For the year ended 31 March 2009



Company Registration No. 3194221

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General Information

Directors

The directors at the date of this report were as follows:

Ms T E Keill

Mr A N Murray

Mr N J Marley

Secretary

The company secretary is Ms T E Keill.

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
Eighth Floor
6 New Street Square
New Fetter Lane
London EC4A 3AQ

Principal Lawyers

Norton Rose
3 More London Riverside
London SE1 2AQ

Registered Office

3 More London Riverside
London SE1 2AQ

Company Registration Number

3194221

Parent Company

The immediate parent company is Primary Group (UK) 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.

Business Review

Results and Performance

Turnover was £Nil (2008: £4,829,075) and the profit attributable to shareholders for the company for the year ended 31 March 2009 was £84,649 (2008: £751,198) after a tax charge of £22,255 (2008: £208,326). The Directors do not recommend payment of a dividend. There was no prior year dividend paid.

Business Environment

The company's principal activities were the provision of advisory and consultancy services to other companies in the group. The company transferred its trade to Primary Group (UK) Limited on 1 October 2007.

Directors and directors' interests

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

Ms T E Keill
Mr A N Murray
Mr N J Marley

(Appointed 17 November 2008)

Auditors

PricewaterhouseCoopers 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.

Statement of Disclosure of Information to Auditors

Each director in office at the date of approval of this report confirms that:

- a) so far as he or she is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- b) he or she has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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



Mr A N Murray
Director
15 October 2009

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the auditors' statement of auditors' responsibilities, is made for the purpose of clarifying the respective responsibilities of the directors and the auditors in the preparation of the financial statements.

Company law requires the directors to prepare financial statements for each financial year, that give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently; with the exception of changes arising on the adoption of new accounting standards in the year;
- 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 financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIMARY GROUP SERVICES LIMITED

We have audited the financial statements of Primary Group 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit 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.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

16 October 2009

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

	Note	31 March 2009 £	31 March 2008 £
Turnover	2	-	4,829,075
Management and other operating charges		(6,652)	(3,669,188)
Other Income		<u>38,500</u>	<u>-</u>
Operating profit	3	31,848	1,159,887
Interest receivable		75,056	484,046
Interest payable	5	<u>-</u>	<u>(684,409)</u>
Profit on ordinary activities before taxation		106,904	959,524
Tax on profit on ordinary activities	6	<u>(22,255)</u>	<u>(208,326)</u>
Profit on ordinary activities after taxation	11	<u>84,649</u>	<u>751,198</u>
Retained profit for the financial year	12	<u>84,649</u>	<u>751,198</u>

All activities derive from discontinued operations. There are no recognised gains or losses, other than those reflected in the profit for the financial 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.

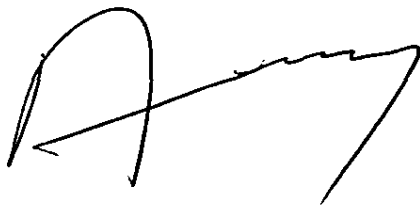
Balance Sheet
as at 31 March 2009

	Note	31 March 2009 £	31 March 2008 £
Current assets			
Debtors: due within one year	7	935,692	2,011,965
Cash at bank and in hand	8	<u>637,918</u>	<u>34,879</u>
		1,573,610	2,046,844
Creditors: (amounts falling due within one year)	9	<u>(108,726)</u>	<u>(666,609)</u>
Net current assets		<u>1,464,884</u>	<u>1,380,235</u>
Total assets less current liabilities		1,464,884	1,380,235
Net Assets		<u>1,464,884</u>	<u>1,380,235</u>
Capital and reserves			
Called up share capital	10	1,000	1,000
Profit and loss account	11	1,463,884	1,379,235
	12	<u>1,464,884</u>	<u>1,380,235</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 15 October 2009.

Signed on behalf of the board of directors.



Mr A N Murray
Director

15 October 2009

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

1. Accounting policies

These financial statements have been prepared in accordance with the Companies Act 1985 and Generally Accepted Accounting Principles in the United Kingdom and are denominated in sterling. The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues earned and expenses incurred during the reporting year. The group's significant accounting policies, which have been applied consistently over the year, are described below.

Basis of accounting

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

Turnover

Turnover comprises fees for advisory and consultancy services.

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 an average rate that approximates actual. Any exchange 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 Financial Reporting Standard No. 19 'Deferred Taxation'. Deferred tax assets are recognised to the extent that the directors consider these amounts recoverable.

Cash flow statement

The company is a wholly owned subsidiary of Primary Group (UK) Limited, which prepares a consolidated cash flow statement. The company has therefore elected to make use of the exemption provided in Financial Reporting Standard No. 1 'Cash Flow Statements' not to produce a cash flow statement.

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

1. Accounting policies (continued)

Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Pensions

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

2. Turnover

Turnover for the prior year originated in the United Kingdom from fees receivable from group undertakings.

3. Operating profit

	31 March 2009 £	31 March 2008 £
The operating profit which originated in the United Kingdom for the year was arrived at after charging:		
Auditors' remuneration	6,000	15,000
Depreciation of owned assets	-	117,095

4. Information regarding directors and employees

The aggregate emoluments of the directors of the company for the year ended 31 March 2009, were as follows:

	31 March 2009 £	31 March 2008 £
Emoluments including performance related bonus	-	315,360
Contributions to money purchase pension schemes	-	17,167
Compensation for loss of office	-	292,950
Total emoluments	-	625,477

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

4. Information regarding directors and employees (continued)

The emoluments of the highest paid director included in the amount above are:	31 March 2009 £	31 March 2008 £
Emoluments including performance related bonus	-	315,360
Pension	-	17,167
Compensation for loss of office	-	292,950
Total emoluments	-	625,477

Staff costs	31 March 2009 £	31 March 2008 £
Wages and salaries	-	1,851,132
Social security costs	-	380,747
Other pension costs	-	167,120
	-	2,398,999

The average number of persons, including executive directors employed by the company during the year was:	No.	No.
	-	21

The number of directors for the benefit of whom the company made contributions to money purchase pension schemes during the year was:	No.	No.
	-	1

5. Interest payable

	31 March 2009 £	31 March 2008 £
Bank interest	-	30
Other interest	-	684,379
	-	684,409

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

6. Taxation

	31 March 2009 £	31 March 2008 £
(a) Analysis of charge for the year		
Group relief	30,002	346,498
Adjustment in respect of previous periods	(7,747)	(138,172)
Current tax charge for the year (note 6(b))	<u>22,255</u>	<u>208,326</u>
	31 March 2009 £	31 March 2008 £
(b) Factors affecting tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK (28%)		
The differences are explained below:		
Profit on ordinary activities before tax	<u>106,904</u>	<u>959,524</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 30%)	29,933	287,857
<i>Effects of:</i>		
Depreciation in excess of capital allowances	-	50,663
Expenses not deductible for tax purposes and tax losses carried forward	69	7,978
	<u>30,002</u>	<u>346,498</u>
Adjustments in respect of previous periods	(7,747)	(138,172)
Current tax charge for the year (note 6(a))	<u>22,255</u>	<u>208,326</u>

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

7. Debtors

	31 March 2009	31 March 2008
	£	£
Amounts due within one year		
Amounts due from group undertakings	935,692	1,372,759
Other debtors	-	3,620
Corporation tax receivable	-	635,586
	<u>935,692</u>	<u>2,011,965</u>

8. Cash and cash equivalents

In accordance with the terms of a contract with an affiliated company, Prime Professions Limited, the Company issued a letter of credit in favour of Markel International Limited. As at 31 March 2009 the outstanding letter of credit was £600,000 (2007: Nil) which was secured by cash of a similar amount. This letter of credit expired on 21 May 2009.

9. Creditors: amounts falling due within one year

	31 March 2009	31 March 2008
	£	£
Amounts owed to group undertakings	-	93,614
Other creditors	102,726	557,995
Accruals and deferred income	6,000	15,000
	<u>108,726</u>	<u>666,609</u>

10. Called up share capital

	31 March 2009	31 March 2008
	£	£
Authorised:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued & fully paid:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11. Statement of movements on reserves

	31 March 2009	31 March 2008
	£	£
At 1 April	1,379,235	628,037
Profit for the financial year	<u>84,649</u>	<u>751,198</u>
At 31 March	<u>1,463,884</u>	<u>1,379,235</u>

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

12. Reconciliation of movements in shareholder's funds

	31 March 2009 £	31 March 2008 £
At 1 April	1,380,235	629,037
Retained profit for the financial year	<u>84,649</u>	<u>751,198</u>
At 31 March	<u>1,464,884</u>	<u>1,380,235</u>

13. Pension commitments

The group operated non-contributory defined contribution grouped personal pension plans. The assets of the plans were held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the plans and the amount contributed during the year to 31 March 2009 was £Nil (2008: £167,120).

14. Related party transactions

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

15. Ultimate holding company

The immediate holding company as at 31 March 2009 is Primary Group (UK) Limited, a company incorporated in the United Kingdom. The Primary Group (UK) Limited accounts can be obtained from their registered office at 3 More London Riverside, London, SE1 2AQ.

The ultimate holding company is Primary Group Limited, a company incorporated in Bermuda.

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 James and his family.