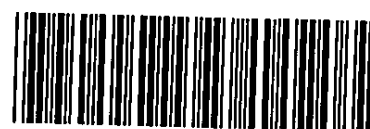


PRIMARY GROUP SERVICES LIMITED

Report and Financial Statements  
For the year ended 31 March 2010

Company registration number 3194221

THURSDAY



LD6 30/12/2010 345  
COMPANIES HOUSE

## CONTENTS

	Page
General Information	
Directors' Report	3
Independent Auditors' Report	5
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9

## 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

### Independent Auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
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 2010

## Business Review

## Results and Performance

Turnover was £Nil (2009 £Nil) and the profit attributable to shareholders for the company for the year ended 31 March 2010 was £37,499 (2009 £84,649) after a tax charge of £14,583 (2009 £22,255). 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

## 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.

**Directors' Report (continued)****Statement of directors' responsibilities**

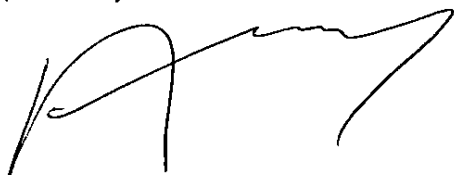
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 and of the profit or loss 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.

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



Mr A N Murray  
Director

22 December 2010

**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 2010 which comprise the Profit and Loss Account, 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 4 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 and of its profit and cash flows for the year then ended,
- 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.

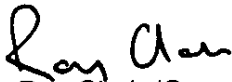
**Opinion on other matter prescribed by the Companies Act 2006**

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.

**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 December 2010

**Profit and Loss Account  
for the year ended 31 March 2010**

	Note	31 March 2010 £	31 March 2009 £
Turnover		-	-
Management and other operating charges		(5,072)	(6,652)
Other Income		-	38,500
<b>Operating profit</b>	2	(5,072)	31,848
Interest receivable		57,154	75,056
<b>Profit on ordinary activities before taxation</b>		52,082	106,904
Tax on profit on ordinary activities	4	(14,583)	(22,255)
<b>Profit on ordinary activities after taxation</b>	9	37,499	84,649
<b>Retained profit for the financial year</b>	10	37,499	84,649

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 9 to 13 form an integral part of these financial statements.



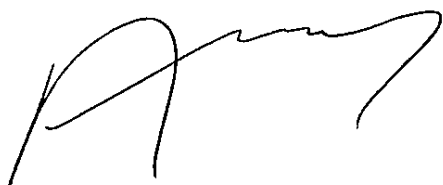
Balance Sheet  
as at 31 March 2010

	Note	31 March 2010 £	31 March 2009 £
<b>Current assets</b>			
Debtors due within one year	5	1,579,509	935,692
Cash at bank and in hand	6	<u>40,791</u>	<u>637,918</u>
		1,620,300	1,573,610
<b>Creditors (amounts falling due within one year)</b>	7	<u>(117,917)</u>	<u>(108,726)</u>
<b>Net current assets</b>		<u>1,502,383</u>	<u>1,464,884</u>
<b>Total assets less current liabilities</b>		1,502,383	1,464,884
<b>Net Assets</b>		<u>1,502,383</u>	<u>1,464,884</u>
<b>Capital and reserves</b>			
Called up share capital	8	1,000	1,000
Profit and loss account	9	1,501,383	1,463,884
	10	<u>1,502,383</u>	<u>1,464,884</u>

The notes to the accounts on pages 9 to 13 form an integral part of these financial statements

The board of directors approved these financial statements on 22 December 2010

Signed on behalf of the board of directors



Mr A N Murray  
Director

22 December 2010

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

### 1 Accounting policies

These financial statements have been prepared in accordance with the Companies Act 2006 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 2010**

**1 Accounting policies (continued)**

**Operating leases**

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

**2 Operating profit**

	31 March 2010 £	31 March 2009 £
The operating profit which originated in the United Kingdom for the year was arrived at after charging		
Auditors' remuneration	5,000	6,000

**3 Information regarding directors and employees**

The company employed no staff in the year other than directors, who were not remunerated for their work. There were no other staff costs in the year.

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

## 4 Taxation

	31 March 2010 £	31 March 2009 £
(a) Analysis of charge for the year		
Group relief	14,583	30,002
Adjustment in respect of previous periods	-	(7,747)
Current tax charge for the year (note 4(b))	<u>14,583</u>	<u>22,255</u>
	31 March 2010 £	31 March 2009 £
(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>52,082</u>	<u>106,904</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	14,583	29,933
<i>Effects of</i>		
Expenses not deductible for tax purposes and tax losses carried forward	-	69
	<u>14,583</u>	<u>30,002</u>
Adjustments in respect of previous periods	-	(7,747)
Current tax charge for the year (note 4(a))	<u>14,583</u>	<u>22,255</u>

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

5 Debtors

	31 March 2010 £	31 March 2009 £
Amounts due within one year		
Amounts due from group undertakings	<u>1,579,509</u>	<u>935,692</u>
	<u>1,579,509</u>	<u>935,692</u>

Amounts due from group undertakings, due within one year is in respect of a loan to the parent company Primary Group (UK) Limited. Interest is calculated at a rate of the Bank of England base rate plus 2%.

6 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 2010 the outstanding letter of credit was £Nil (2009 £600,000) which was secured by cash of a similar amount. This letter of credit expired on 21 May 2009.

7 Creditors amounts falling due within one year

	31 March 2010 £	31 March 2009 £
Other creditors	112,917	102,726
Accruals and deferred income	<u>5,000</u>	<u>6,000</u>
	<u>117,917</u>	<u>108,726</u>

8 Called up share capital

	31 March 2010 £	31 March 2009 £
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>

9 Statement of movements on reserves

	31 March 2010 £	31 March 2009 £
At 1 April	1,463,884	1,379,235
Profit for the financial year	<u>37,499</u>	<u>84,649</u>
At 31 March	<u>1,501,383</u>	<u>1,463,884</u>

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

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

	31 March 2010 £	31 March 2009 £
At 1 April	1,464,884	1,380,235
Retained profit for the financial year	<u>37,499</u>	<u>84,649</u>
At 31 March	<u>1,502,383</u>	<u>1,464,884</u>

**11 Related party transactions**

As permitted under Financial Reporting Standard No 8, transactions between group companies which are wholly owned have not been disclosed

**12 Ultimate holding company**

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 established in the Cayman Islands for the benefit of My PWH James and his family