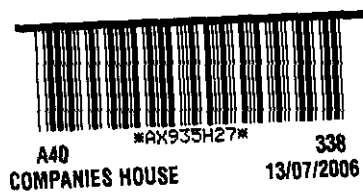


ONLINE UNDERWRITING LIMITED

Report and Financial Statements
for the period ended 31 December 2005



Company Registration No. 5385792

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General Information

Directors

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

Mr A J C Chisnall
Mr J M Davey
Mr T P Rolfe
Mr I K White

Secretary

The company secretary is Primary Group Services Limited.

Principal Bankers

Royal Bank of Scotland Plc
Great Tower Street Office
5-10 Great Tower Street
London EC3P 3HX

Auditors

Mazars LLP
24 Bevis Marks
London EC3A 7NR

Tax Advisors

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

Principal Lawyers

Taylor Wessing
Carmelite
50 Victoria Embankment
Blackfriars
London EC4Y 0DX

Registered Office

10 King William Street
London EC4N 7TW

Company Registration Number

5385792

Parent Company

The immediate parent company is Primary Broker Services Limited, and the ultimate parent company is Primary Group Limited.

Directors' Report

The company was incorporated on 8 March 2005.

The directors present their annual report together with the audited financial statements of the company for the period ended 31 December 2005.

Review of developments

Principal activities

The company's principal activities are that of an insurance broker and underwriting agency.

The company commenced trading on 1 May 2005.

All members of the Primary Group operate in a devolved structure designed to motivate the management teams of each business to act with ownership, accountability and entrepreneurial spirit. Decisions are measured through the reporting and control process in what is known as our 'Trust and Verify' framework. As a consequence, businesses within the Primary Group may trade together where it is in their commercial interest and this decision is for each management team to make. This means that the Primary Group's businesses will, through the normal course of business, trade together on an independent arm's length basis. These transactions have not therefore been disclosed in the related party note.

Future developments

The directors aim to enhance existing relationships and to develop new business opportunities with other like-minded professional organisations around the world.

Tangible fixed assets

Movements in the tangible fixed assets held by the company are shown in Note 7.

Directors and directors' interests

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

Mr A J C Chisnall	(Appointed 9 March 2005)
Mr J M Davey	(Appointed 9 March 2005)
Mr T P Rolfe	(Appointed 15 December 2005)
Mr I K White	(Appointed 26 January 2006)
Mr A N M McMahon	(Appointed 9 March 2005, Resigned 15 December 2005)
Everdirector Limited	(Appointed 8 March 2005, Resigned 9 March 2005)

No director had an interest in the share capital of the company during the period.

Directors' Report (continued)

Auditors

Mazars LLP were appointed as the independent auditors to the company during the period. Resolutions to dispense with the requirement to reappoint auditors annually and to hold an Annual General Meeting were passed on 9 March 2005.

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

A handwritten signature in black ink, appearing to read 'T P Rolfe', with a long horizontal stroke extending to the right.

Mr T P Rolfe
Director

30 June 2006

Independent auditors' report to the member of Online Underwriting Limited

We have audited the financial statements of Online Underwriting Limited for the period ended 31 December 2005, which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's member, 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 member those matters we are required to state to it 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 member, 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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.

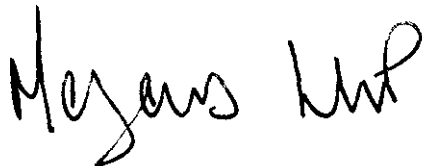
Basis of audit opinion

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.

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 December 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Mazars LLP', is written above the printed name of the firm.

Mazars LLP
Chartered Accountants and Registered Auditors
24 Bevis Marks
London
EC3A 7NR

30 June 2006

Profit and Loss Account
for the period ended 31 December 2005

	Note	10 months ended 31 December 2005 £
Turnover	3	102,303
Management and other operating charges		<u>(227,167)</u>
Operating loss	4	<u>(124,864)</u>
Loss on ordinary activities before taxation		(124,864)
Tax on loss on ordinary activities	6	<u>167,200</u>
Retained profit for the financial period	12	<u>42,336</u>

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

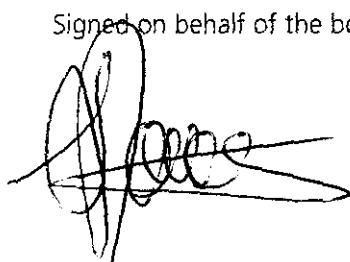
Balance Sheet
as at 31 December 2005

	Note	2005 £
Fixed Assets		
Tangible assets	7	<u>128,769</u>
Current assets		
Debtors	8	300,366
Cash at bank and in hand	9	<u>126,051</u>
		426,417
Creditors: amounts falling due within one year	10	<u>(512,848)</u>
Net current liabilities		<u>(86,431)</u>
Total assets less current liabilities		<u>42,338</u>
		<u>42,338</u>
Capital and reserves		
Called up share capital	11	2
Profit and loss account	12	<u>42,336</u>
Shareholder's Funds	13	<u>42,338</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 30 June 2006.

Signed on behalf of the board of directors.



Mr J M Davey
Director

30 June 2006

Notes to the financial statements
for the period ended 31 December 2005

1. Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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. 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;
- state whether applicable accounting standards have been followed; 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.

2. Accounting policies

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

Basis of accounting

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

Turnover

Turnover comprises brokerage and net commissions that are recognised when placement services are completed.

Depreciation

Tangible fixed assets including assets held under finance leases and hire purchase contracts, are written off on a straight line basis over their estimated useful lives (Note 7).

Notes to the financial statements
for the period ended 31 December 2005

2. 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'. 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.

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.

Operating leases

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

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 the profit and loss account as incurred in accordance with the employment contract of each director or employee.

3. Turnover

Turnover for the year originated and was derived from activities within the United Kingdom.

Notes to the financial statements
for the period ended 31 December 2005

4. Operating loss

10 months
ended 31
December
2005
£

The operating loss which originated in the United Kingdom
for the period was arrived at after charging:

Accountancy fees – auditors' remuneration	10,000
Depreciation of owned tangible fixed assets	30,493
Operating lease rentals – land & buildings	17,755

5. Information regarding directors and employees

10 months
ended 31
December
2005
£

The aggregate emoluments of the directors of the company
for the period were as follows:

Emoluments	119,167
Contributions to money purchase pension schemes	11,000

Total emoluments	130,167
------------------	---------

10 months
ended 31
December
2005
£

Staff costs

Wages and salaries	354,426
Social security costs	41,746
Other pension costs	35,040

431,212

2005
No.

The average number of persons, including executive
directors employed by the company during the period was:

7

The number of directors for the benefit of whom the
company made contributions to money purchase pension
schemes during the period was:

1

Notes to the financial statements
for the period ended 31 December 2005

6. Taxation

(a) Analysis of credit in period	2005 £
Group relief (note 6(b))	(167,200)
Tax credit for the period	(167,200)
(b) Factors affecting tax credit for the period	2005 £
The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%)	
Loss on ordinary activities before tax	(124,864)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(37,459)
<i>Effects of:</i>	
Expenses not deductible for tax purposes	1,129
Depreciation in excess of capital allowances	1,130
Write off of intra group loan	(132,000)
Current tax credit for the period (note 6(a))	(167,200)

7. Tangible fixed assets

	Furniture, fittings & equipment £
Cost	
At 8 March 2005	-
Additions during the period	159,262
At 31 December 2005	159,262
Depreciation	
At 8 March 2005	-
Charge for the period	30,493
At 31 December 2005	30,493
Net book value	
At 31 December 2005	128,769
At 8 March 2005	-
Depreciation rate	20-25%

Notes to the financial statements
for the period ended 31 December 2005

8. Debtors

	2005 £
Insurance debtors	279,255
Other debtors	8,750
Prepayments and accrued income	<u>12,361</u>
	<u>300,366</u>

9. Cash at bank and in hand

Included in cash at bank and in hand is £124,446 held in designated client and underwriter accounts. These balances are used to settle claims to policyholders, pay premiums to underwriters and commissions and other income due to group undertakings.

10. Creditors: amounts falling due within one year

	2005 £
Insurance creditors	346,715
Amounts due to group undertakings	154,508
Accruals and deferred income	<u>11,625</u>
	<u>512,848</u>

11. Called up share capital

	2005 £
Authorised: 1,000 Ordinary shares of £1 each	<u>1,000</u>
Allotted and issued: 2 Ordinary shares of £1 each	<u>2</u>

On 8 March 2005, 1 Ordinary Share of £1 was issued at par. An additional Ordinary Share of £1 was issued at par on 9 March 2005.

Notes to the financial statements
for the period ended 31 December 2005

12. Statement of movements on reserves

Profit and loss account	2005 £
At the start of the period	-
Retained profit for the financial period	<u>42,336</u>
At 31 December 2005	<u>42,336</u>

13. Reconciliation of movements in shareholder's funds

	2005 £
At 8 March 2005	-
Issue of share capital	2
Retained profit for the financial period	<u>42,336</u>
At 31 December 2005	<u>42,338</u>

14. Related Party Transactions

As permitted under Financial Reporting Standard No. 8 'Related Party Disclosures', 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 parent company as at 31 December 2005 is Primary Broker Services Limited, a company incorporated in the United Kingdom.

The ultimate holding company is Primary Group Limited, a company incorporated in Bermuda. In the opinion of the directors, the ultimate controllers at 31 December 2005 are the trustees of NUSA Trust and JIWO Trust, both trusts established in the Cayman Islands for the benefit of P W H James and his family.