

PEARL RLG LIMITED

REPORT AND FINANCIAL STATEMENTS For the year ended 31 December 2009

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PEARL RLG LIMITED

BOARD OF DIRECTORS

M J Merrick
A Moss
G A Watson

Secretary

Pearl Group Secretariat Services Limited

Registered office

1 Wythall Green Way,
Wythall,
Birmingham,
B47 6WG

Auditors

Ernst & Young LLP
1 More London Place,
London
SE1 2AF

Company Registration No 4560770

DIRECTORS' REPORT

COMPANY REGISTRATION NUMBER 4560770

The directors have pleasure in presenting the Report and Accounts of Pearl RLG Limited ("the Company") company registration number 4560770 for the year ended 31 December 2009

Principal activities and future developments

The Company did not conduct business during the current year or previous year and is not expected to do so in the foreseeable future

Principal risks

As the Company does not conduct business, there are deemed to be no material risks

Corporate activity

On 2 September 2009, the shareholders of Pearl Group Limited (subsequently renamed Pearl Group Holdings (No 2) Limited), which at the time was the Company's ultimate parent undertaking, exchanged their interests in the Group for the issue of shares in Liberty Acquisition Holdings (International) Company. Following this, Liberty Acquisition Holdings (International) Company became the Company's ultimate parent undertaking and subsequently changed its name to Pearl Group. On 15 March 2010 Pearl Group changed its name to Phoenix Group Holdings.

Performance during the year

The Company generated no profit after taxation for the year (2008: £nil)

Dividends

The directors have declared and paid a dividend of £0.2m during the year ended 31 December 2009 (2008: £nil)

Position as at 31 December 2008

The net assets of the Company at 31 December 2009 were £nil (2008: £0.2m). The decrease in the year reflects the dividend paid of £0.2m.

Key Performance Indicators

Given the nature of the Company's business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Going Concern

The Directors consider that the Company is no longer a going concern and have accordingly drawn up the accounts on the basis of the realisable value of assets and liabilities. Recording assets and liabilities at net realisable values has had no impact on the results for the year or balance sheet values at 31 December 2009 or 2008.

Directors

The names of the directors as at the date of this report are set out on page 2. Additional information in relation to changes in directors is as follows:

M J Merrick	appointed 23 December 2009
A Moss	appointed 23 December 2009
H M Maxwell	resigned 23 December 2009

DIRECTORS' REPORT (CONTINUED)

Disclosure of indemnity

Pearl Group Holdings (No 2) Limited has agreed to provide an Indemnity to certain persons associated with that company and its subsidiaries. These persons include nominated directors and secretaries of Pearl Group Holdings (No 2) Limited, directors and secretaries of subsidiary companies such as the Company together with alternate directors and approved persons, being persons in relation to whom the Financial Services Authority has given its approval under section 59 of the Financial Services and Markets Act 2000 ("FSMA") for the performance of a controlled function. This indemnity will cover all losses, costs and expenses incurred by an indemnified person incurred in the exercise, execution and discharge of his duties, or connected to the same, to the fullest extent permitted, consistent with the Companies Act 2006 and the FSA Rules. In addition, with effect and from 1 March 2010, Impala Holdings Limited has also agreed to provide an Indemnity to certain persons associated with the Company. These persons include the Company's directors, Secretary and approved persons. This indemnity will cover all losses, costs and expenses incurred by an indemnified person in the exercise, execution and discharge of his duties, or connected to the same, to the fullest extent permitted, consistent with the Companies Act 2006 and the FSA Rules. Both indemnities state that they do not apply to any loss suffered or incurred by an indemnified person to the extent that he is indemnified by any third party (including under any Directors & Officers liability insurance). Directors, alternate directors and company secretaries of Pearl Group Holdings (No 1) Limited and former subsidiaries of that company (including members of the Scottish Provident Fund Supervisory Committee) may still benefit from the provisions of an earlier Deed of Indemnity entered into by that company.

Secretary

Pearl Group Secretariat Services Limited acted as Secretary throughout the year.

Disclosure of information to auditors

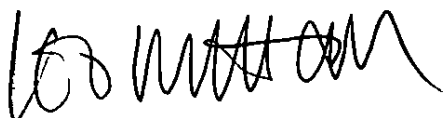
So far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware, and each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

Reappointment of Auditors

In accordance with section 487 of the Companies Act 2006, the Company's auditors, Ernst & Young LLP, will be deemed to have been reappointed at the end of the period of 28 days following circulation of copies of these accounts as no notice has been received from members pursuant to section 488 of the Companies Act 2006 prior to the end of the accounting reference period to which these accounts relate.

By order of the Directors



L Nuttall

For and on behalf of Pearl Group Secretariat Services Limited
Company Secretary

24 September 2010

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 the law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting 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 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, and
- prepare the accounts 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 enable them to ensure that the accounts 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PEARL RLG LIMITED

We have audited the Company accounts ("the accounts") of Pearl RLG Limited for the year ended 31 December 2009 which comprise the Balance Sheet and the related notes 1 to 8. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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.

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

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its result 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.

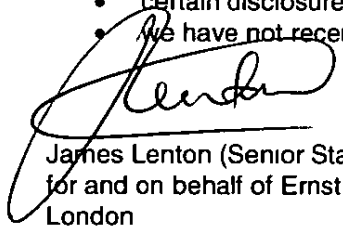
Opinion on other matter prescribed by the Companies Act 2006

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.


James Lenton (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

28 September 2010

PEARL RLG LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2009

The Company has not traded during the year or the prior year. It has received no income and incurred no expenditure and accordingly a profit and loss account has not been prepared.

There have been no recognised gains or losses in either reporting year and accordingly a statement of total recognised gains and losses has not been presented.

PEARL RLG LIMITED

BALANCE SHEET

At 31 December 2009

	Notes	2009 £m	2008 £m
Current assets			
Amounts owed by group undertakings		-	0 2
		<hr/>	<hr/>
Net current assets and net assets		<hr/>	<hr/>
		-	0 2
Capital and reserves			
Share capital	5	-	-
Profit and loss account	6	-	0 2
		<hr/>	<hr/>
Shareholders' funds		<hr/>	<hr/>
		-	0 2

The notes on pages 10 and 11 form part of these financial statements

The accounts were approved by the directors on 24 September 2010 and were signed on their behalf by

**A Moss**

Director

24 September 2010

ACCOUNTING POLICIES

Basis of presentation

The accounts have been prepared in accordance with applicable accounting standards. The accounts have been prepared using net realisable value for all assets and liabilities due to the Company discontinuing all of its operations and it is therefore no longer a going concern. It is the intention to wind up the Company in 2010.

Profit and loss account

As the Company carried out no transactions in the year or the prior year, no profit and loss account has been presented.

Cash flow statement

The Company has taken advantage of the exemption given by FRS1 (revised 1996) to subsidiary undertakings where 90% or more of the voting rights are controlled within the group, by not preparing a cash flow statement. Details of the ultimate holding company are given in note 8 to the accounts.

NOTES TO THE ACCOUNTS

1. Auditor's remuneration

The remuneration of the auditor of the Company for auditing the accounts amounted to £1,000 (2008 £nil)

2. Employee information

The Company has no employees. Services are provided by Pearl Group Management Services Limited

3. Directors' emoluments

None of the directors received any emoluments in respect of their services to the Company in the current or prior years

4. Dividends

	2009 £m	2008 £m
Interim ordinary dividends paid		
£0.2m per £1 ordinary share (2008 £nil)	<u>0.2</u>	<u>-</u>

5. Share capital

	2009 £	2008 £
Allotted, issued, called up and fully paid		
1 Ordinary shares of £1	<u>1</u>	<u>1</u>

6. Reserves and reconciliation of movements in shareholders' funds

	Share capital £m	Profit & loss account £m	Total shareholders' funds £m
Shareholders' funds at 1 January 2008 and 31 December 2008	-	0.2	0.2
Dividends paid 2009	-	(0.2)	(0.2)
	<u>-</u>	<u>(0.2)</u>	<u>(0.2)</u>
Shareholders' funds at 31 December 2009	<u>-</u>	<u>-</u>	<u>-</u>

7. Related party transactions

The Company has taken advantage of the exemption given by FRS 8 to subsidiary undertakings, 100% or more of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties

All major decisions are made by the board therefore there are no transactions with key management personnel to disclose

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Parent undertaking and controlling party

The Company's immediate parent undertaking is Impala Holdings Limited. Prior to 2 September 2009 the Company's ultimate parent undertaking was Pearl Group Holdings (No 2) Limited. Subsequent to this date, the ultimate parent undertaking became Phoenix Group Holdings whose registered office is c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands and is the parent undertaking of the smallest and largest group to consolidate these accounts. A copy of the accounts of Phoenix Group Holdings can be obtained from the Company Secretary, 1st Floor, 32 Commercial Street, St Helier, Jersey, JE2 3RU.