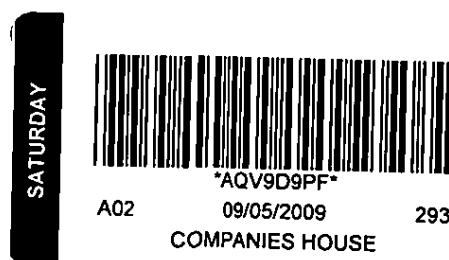


FURNESS UNDERWRITING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2008



Company Registration Number 6308306

Tenon Limited
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

FURNESS UNDERWRITING LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 10 JULY 2007 TO 31 DECEMBER 2008

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditor's report to the members	4 to 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 to 11

FURNESS UNDERWRITING LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
PERIOD ENDED 31 DECEMBER 2008

The board of directors	B Gozzi P Molyneaux M Glover
Company secretary	Callidus Secretaries Limited
Business address	Boundary House 7-17 Jewry Street London EC3N 2HP
Registered office	Boundary House 7-17 Jewry Street London EC3N 2HP
Auditor	Tenon Audit Limited Registered Auditor Sumner House St Thomas's Road Chorley Lancashire PR7 1HP
Accountants	Tenon Limited Sumner House St Thomas's Road Chorley Lancashire PR7 1HP

FURNESS UNDERWRITING LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 10 JULY 2007 TO 31 DECEMBER 2008

The directors present their report and the financial statements of the company for the period from 10 July 2007 to 31 December 2008.

Incorporation

The company was incorporated on 10 July 2007 and commenced trading on 10 March 2008.

On 10 July 2007 the company issued 1 ordinary share of £1 at par.

On 13 February 2008 the company then issued a further 49,999 shares of £1 at par.

Principal activities

The principal activity of the company during the period was the provision of insurance underwriting services.

Directors

The directors who served the company during the period were as follows:

B Gozzi
P Molyneaux
M Glover
B Metcalfe

B Gozzi was appointed as a director on 10 July 2007.

P Molyneaux was appointed as a director on 10 July 2007.

M Glover was appointed as a director on 1 April 2008.

B Metcalfe was appointed as a director on 14 November 2007.

B Metcalfe resigned as a director on 11 June 2008.

Directors' responsibilities

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements 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 these 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; 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 which 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.

FURNESS UNDERWRITING LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 10 JULY 2007 TO 31 DECEMBER 2008

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.


The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Boundary House
7-17 Jewry Street
London
EC3N 2HP

Signed on behalf of the directors



For and on behalf of Callidus Secretaries Limited

Company Secretary

Approved by the directors on ...7.05.09...

FURNESS UNDERWRITING LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FURNESS
UNDERWRITING LIMITED

PERIOD FROM 10 JULY 2007 TO 31 DECEMBER 2008

We have audited the financial statements of Furness Underwriting Limited on pages 6 to 11 for the period ended 31 December 2008. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, 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 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 auditor

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the 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 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 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.

FURNESS UNDERWRITING LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FURNESS
UNDERWRITING LIMITED *(continued)***

PERIOD FROM 10 JULY 2007 TO 31 DECEMBER 2008

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 2008 and of its profit for the period 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.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

Date:-

8 May 2009

FURNESS UNDERWRITING LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD FROM 10 JULY 2007 TO 31 DECEMBER 2008

	Note	Period from 10 Jul 07 to 31 Dec 08 £
Turnover	2	761,720
Administrative expenses		(255,167)
Operating profit	3	506,553
Interest receivable		4,347
Profit on ordinary activities before taxation		510,900
Tax on profit on ordinary activities	5	(142,014)
Profit for the financial period		<u>368,886</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 8 to 11 form part of these financial statements.

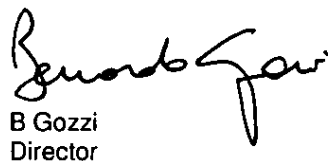
FURNESS UNDERWRITING LIMITED

BALANCE SHEET

31 DECEMBER 2008

	Note	£	31 Dec 08 £
Current assets			
Debtors	6	6,216,661	
Cash at bank		436,956	
		<u>6,653,617</u>	
Creditors: Amounts falling due within one year	7	<u>(6,234,731)</u>	
Net current assets			<u>418,886</u>
Capital and reserves			
Called-up share capital	9		50,000
Profit and loss account	10		368,886
Shareholders' funds	11		<u>418,886</u>

These financial statements were approved by the directors and authorised for issue on 1.01.09, and are signed on their behalf by:


B Gozzi
Director

The notes on pages 8 to 11 form part of these financial statements.

FURNESS UNDERWRITING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 10 JULY 2007 TO 31 DECEMBER 2008

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover represents commission on policies earned during the period. Commission is deemed to be earned at the date that risk attaches to the policy.

Deferred taxation

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Period from
	10 Jul 07 to
	31 Dec 08
	£
United Kingdom	761,720

FURNESS UNDERWRITING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 10 JULY 2007 TO 31 DECEMBER 2008

3. Operating profit

Operating profit is stated after charging:

	Period from 10 Jul 07 to 31 Dec 08 £
Auditors remuneration	4,450
Management charges	<u>225,000</u>

4. Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the period.

5. Taxation on ordinary activities

(a) Analysis of charge in the period

	Period from 10 Jul 07 to 31 Dec 08 £
UK Corporation tax	<u>142,014</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 28%.

	Period from 10 Jul 07 to 31 Dec 08 £
Profit on ordinary activities before taxation	<u>510,900</u>
Profit on ordinary activities by rate of tax	143,052
Effects of:	
Tax chargeable at higher rates	2,541
Small companies relief	<u>(3,579)</u>
Total current tax (note 5(a))	<u>142,014</u>

(c) Factors that may affect future tax charges

There are no factors expected to affect the future tax charge.

6. Debtors

	31 Dec 08 £
Insurance debtors	<u>6,216,661</u>

FURNESS UNDERWRITING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 10 JULY 2007 TO 31 DECEMBER 2008

7. Creditors: Amounts falling due within one year

	31 Dec 08
	£
Insurance creditors	5,887,517
Amounts owed to group undertakings	200,000
Corporation tax	142,014
Accruals and deferred income	5,200
	<u>6,234,731</u>

8. Related party transactions

During the period the company paid management charges of £225,000 to International Professional Risks Limited, a company related by common control.

At 31 December 2008, creditors included £200,000 and insurance creditors included £5,887,517 owed to International Professional Risks Limited in respect of premiums payable to insurers.

During the period £7,749 for professional fees was paid to Callidus Solutions Limited which is related by virtue of common directorship by M Glover.

9. Share capital

Authorised share capital:

	31 Dec 08
	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>

Allotted, called up and fully paid:

	No	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

10. Profit and loss account

	Period from 10 Jul 07 to 31 Dec 08
	£
Profit for the financial period	368,886
Balance carried forward	<u>368,886</u>

11. Reconciliation of movements in shareholders' funds

	31 Dec 08
	£
Profit for the financial period	368,886
New ordinary share capital subscribed	50,000
Net addition to shareholders' funds	418,886
Closing shareholders' funds	<u>418,886</u>

FURNESS UNDERWRITING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 10 JULY 2007 TO 31 DECEMBER 2008

12. Ultimate parent company

On 13 February 2008 the entire share capital of the company was acquired by Manderley Holdings Limited. From this date Manderley Holdings Limited became the ultimate parent company.

13. Ultimate controlling party

From 13 February 2008 the company was controlled by Manderley Holdings Limited which owns the entire issued share capital of the company.

Until 13 February 2008 the company was controlled by its directors.