

Company Registration No. 06475827

DMWSL 586 LIMITED

Report and Financial Statements

**For the period from 17 January 2008 (date of
incorporation) to 31 August 2008**

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DMWSL 586 LIMITED

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DMWSL 586 LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C M Giles
P D Matson

SECRETARY

A G Hessett

REGISTERED OFFICE

Floor 2
Holland House
4 Bury Street
London
EC3A 5AW

BANKERS

Bank of Scotland plc
Bishopsgate Exchange
155 Bishopsgate
London
EC2M 3YB

SOLICITORS

Dickson Minto
Royal London House
22 – 25 Finsbury Square
London
EC2A 1DX

INDEPENDENT AUDITORS

Deloitte LLP

DMWSL 586 LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the period from 17 January 2008, the date of incorporation, to 31 August 2008.

PRINCIPAL ACTIVITIES

The company was incorporated in England on 17 January 2008 with the registration number 06475827 and was acquired by DMWSL 585 Limited on 3 March 2008.

The principal activity of the company during the period was that of an intermediate holding company, which held loan notes relating to the ultimate holding company, DMWSL 585 Limited

On 3 March 2008 the company acquired DMWSL 587 Limited. The ultimate holding company at the end of the period is DMWSL 585 Limited into which the results of the company are consolidated.

RESULTS

The results for the period and the company's financial position at the end of the period are shown in the profit and loss account and balance sheet on pages 6 and 7 respectively.

The loss after tax for the period from 17 January 2008 to 31 August 2008 was £7,111,000, relating principally to the accrued interest on the group loan notes.

PRINCIPAL RISKS AND UNCERTAINTIES

Market Risk

The group is affected by the insurance market cycle. The current assessment is of soft market conditions with the group tackling this risk by both new business initiatives and ongoing supplier negotiations. A further market risk factor is the strength of the supply base. The group ensures the supply base is appropriate by regular monitoring and assessment of insurer credit ratings.

Regulatory Risk

The regulatory environment applicable to the group's main trading subsidiaries is set by the Financial Services Authority ("FSA"). The group operates a fully resourced compliance department reporting direct to the Operations Director. This compliance department monitors all regulatory developments with a particular focus on regular updates and meetings with the FSA.

Credit Risk

Credit risk is minimised by the group ensuring that it receives cash in respect of premiums from clients before paying these premiums to insurers.

Liquidity Risk

The group's main financing liabilities are a bank overdraft facility, term loans which accrue interest at variable rates and loan notes which accrue interest at a fixed rate. The directors manage and monitor the financing of the companies on a group basis to mitigate the liquidity risks. To manage the risk of interest rate movements relating to the group's variable rate borrowings, the group has entered into an interest rate swap arrangement. Further details are provided in the consolidated financial statements of the group.

DMWSL 586 LIMITED

DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Going Concern

The company and the group's business activities, together with the factors likely to affect the future development, performance and position are set out in the business review above. This includes commentary on regulatory and market risk management objectives and exposure to credit risk and liquidity risk.

As at 31 August 2008, the company was in a net liability position. The company has the support of the ultimate holding company in providing adequate funds to meet its liabilities as they fall due.

In common with other companies in the sector, the company and the group are operating under difficult market conditions. However, the company and the group have access to considerable financial resources through bank funding available to be drawn down. As a consequence, the directors believe the group is well placed to manage its business risks successfully despite the current economic outlook.

The company and group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company and group should have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

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

C M Giles	(appointed 3 March 2008)
P D Matson	(appointed 28 July 2008)
F Van Den Bosch	(appointed 17 January 2008, resigned 3 March 2008)
M Offord	(appointed 17 January 2008, resigned 3 March 2008)

AUDITORS

Deloitte LLP were appointed as auditors during the period which is the first reporting period of the company.

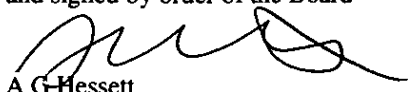
The directors at the date of approval of this report confirm that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information 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 s234ZA of the Companies Act 1985.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed by order of the Board



A G Hessett
Company Secretary

7 May 2009

STATEMENT OF 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- 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 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 DMWSL 586 LIMITED

We have audited the financial statements of DMWSL 586 Limited for the period from 17 January 2008 to 31 August 2008 which comprise the profit and loss account, balance sheet and the related notes 1 to 15. 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and 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).

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

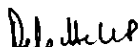
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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 August 2008 and of its loss for the period from 17 January 2008 to 31 August 2008;
- 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.



Deloitte LLP
Chartered Accountants and Registered Auditors
Glasgow
United Kingdom
7 May 2009

DMWSL 586 LIMITED

PROFIT AND LOSS ACCOUNT

Period 17 January 2008 to 31 August 2008

	Note	2008 £'000
TURNOVER		-
Administrative expenses		-
OPERATING PROFIT		-
Interest receivable		306
Interest payable	4	(7,417)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,111)
Tax on loss on ordinary activities	5	-
LOSS FOR THE FINANCIAL PERIOD		(7,111)

All of the activities of the company result from acquisitions in the period and are classed as continuing.

There are no recognised gains and losses for the current financial period other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been presented.

DMWSL 586 LIMITED

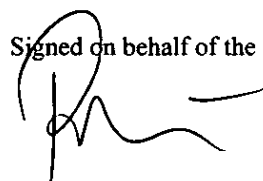
BALANCE SHEET

At 31 August 2008

	Note	2008 £'000
FIXED ASSETS		
Investments	6	12,236
		<u>12,236</u>
CURRENT ASSETS		
Debtors	7	124,287
CREDITORS: amounts falling due within one year	8	<u>(12,236)</u>
NET CURRENT ASSETS		112,051
TOTAL ASSETS LESS CURRENT LIABILITIES		124,287
CREDITORS: amounts falling due after more than one year	9	<u>(131,398)</u>
NET LIABILITIES		<u>(7,111)</u>
CAPITAL AND RESERVES		
Called up share capital	10	-
Profit and loss account	11	<u>(7,111)</u>
SHAREHOLDERS' DEFICIT		<u>(7,111)</u>

These financial statements were approved by the Board of Directors on 7 May 2009.

Signed on behalf of the Board of Directors



P D Matson
Finance Director

NOTES TO THE FINANCIAL STATEMENTS

Period 17 January 2008 to 31 August 2008

1. ACCOUNTING POLICIES

Basis of accounting

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

Consolidation

The company was, at the end of the period, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 228 of the Companies Act 1985, is not required to produce consolidated accounts. These accounts therefore reflect the position of the company as an entity and not of the group.

Going concern

The financial statements have been prepared under the going concern concept as discussed in the directors' report.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard ("FRS") 1 "Cash Flow Statements (Revised 1996)" from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent company's financial statements includes a consolidated cash flow statement.

Investments in subsidiaries

Investments in subsidiary companies are recorded at cost less any provision for impairment. In the period ended 31 August 2008, the company took advantage of Companies Act 1985 section 131 merger relief and recorded shares issued at their nominal value in the company balance sheet.

Current taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation

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 have occurred at the balance sheet date that will result in an obligation to pay more, or a right to pay less tax, in the future. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Loan notes

Interest on the Unsecured Loan Notes is accrued at a rate of 12% per annum and 5% per annum on the DMWSL 587 Rollover Loan Notes. Interest on both will be paid on the redemption date of 2 March 2018.

2. AUDIT FEES

The total remuneration payable, excluding VAT, to its auditors, Deloitte LLP, in respect of the audit of these accounts is £3,000, and in respect of the preparation of the tax computation is £2,000. These costs have been borne and paid for by Giles Insurance Brokers Limited, a fellow subsidiary undertaking.

DMWSL 586 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period 17 January 2008 to 31 August 2008

3. DIRECTORS AND EMPLOYEES

Directors Emoluments

The directors are listed on page 1 of these financial statements. The directors are remunerated by Giles Insurance Brokers Limited, a fellow subsidiary undertaking. Details of their emoluments are given in the financial statements of the ultimate parent company. The directors do not consider it practical to allocate the percentage of their remuneration to DMWSL 586 Limited.

Employees

No staff are employed directly by DMWSL 586 Limited.

4. INTEREST PAYABLE

	2008 £'000
Loan note interest	(7,417)

5. TAXATION

a) Analysis of tax charge in period

	2008 £'000
UK Corporation tax based on the loss for the period at 28%	-
Adjustments in respect of the prior period	-
Total current tax	-

b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period differs from the rate of corporation tax applicable to the group of 29% for the following reasons:

	2008 £'000
Loss on ordinary activities before taxation	(7,111)
Loss on ordinary activities by rate of tax	(2,074)
Expenses not deductible for tax purposes	2,163
Group relief claimed	(89)
Total current tax (note 5(a))	-

There is an unrecognised deferred tax asset at the end of the period of £2,077,000.

DMWSL 586 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period 17 January 2008 to 31 August 2008

6. INVESTMENTS

	Investments in subsidiaries
	£
Cost and net book value:	
At incorporation	1
Acquisition of DMWSL 587 Limited	99
DMWSL 587 Rollover Loan Notes 2018	12,236,465
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At 31 August 2008	12,236,565
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On 3 March 2008 the company acquired 100 ordinary shares in DMWSL 587 Limited, being the entire share capital of a holding company, incorporated in England. The company has taken advantage of Section 131 of the Companies Act 1985 regarding merger relief and has recorded the shares issued as part of the arrangement to acquire DMWSL 587 Limited at nominal value in the company balance sheet.

The acquisition of DMWSL 587 Limited was undertaken as part of the ultimate acquisition of the assets and liabilities of Quillco 226 Limited and its subsidiary undertakings at 3 March 2008. These assets and liabilities and those of the subsequent acquisitions in the period are reflected within the consolidated profit and loss account and balance sheet of the ultimate parent company, DMWSL 585 Limited at 31 August 2008. This was funded by raising loan notes of £123,940,000, term loans of £70,000,000 and equity of £498,000. Total professional fees associated with the acquisition are £10,999,000 excluding term loan arrangement fees of £9,425,000.

The acquisition of DMWSL 587 Limited has been accounted for using the acquisition method.

At 31 August 2008 the company held the entire issued share capital of DMWSL 587 Limited. The remaining investments are held by fellow subsidiary companies.

Name of Company	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
DMWSL 587 Limited	England	Ordinary shares	100%	Holding company
DMWSL 588 Limited	England	Ordinary shares	100%	Holding company
Quillco 226 Limited	Scotland	Ordinary shares	100%	Holding company
Quillco 227 Limited	Scotland	Ordinary shares	100%	Holding company
Dallas Kirkland (Professions) Limited	England	Ordinary shares	100%	Insurance brokers
Giles Holdings Limited	Scotland	Ordinary shares	100%	Holding company
Giles Insurance Brokers Limited	Scotland	Ordinary shares	100%	Insurance brokers
MCIS Holdings Limited	England	Ordinary shares	100%	Non trading
PDT Insurance Consultants Limited	England	Ordinary shares	100%	Non trading
Kerwin Smith & Co. Limited	England	Ordinary shares	100%	Non trading
Calvert Glover & Co. Limited	England	Ordinary shares	100%	Non trading
Giles (South) Insurance Brokers Limited	England	Ordinary shares	100%	Non trading
Mill Hall Insurance Consultants Limited	England	Ordinary shares	100%	Non trading
INK Underwriting Agencies Limited	England	Ordinary shares	100%	Insurance brokers

DMWSL 586 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period 17 January 2008 to 31 August 2008

6. INVESTMENTS (CONTINUED)

MCIS Limited	England	Ordinary shares	100%	Non trading
Giles Insurance Brokers (South) Limited	England	Ordinary shares	100%	Non trading
BJK Insurance Brokers Limited	England	Ordinary shares	100%	Non trading
Giles Plus Services Limited	Scotland	Ordinary shares	100%	Insurance advisory services
Giles Project Risks Limited	Scotland	Ordinary shares	100%	Insurance advisory services
Hedges and Rose Insurance Services limited	England	Ordinary shares	100%	Non trading
Crosbie and Jack Insurance Services Limited	Scotland	Ordinary shares	100%	Non trading
Lester, Bashford & Webb Insurance Brokers Limited	England	Ordinary shares	100%	Non trading
Robinson Leslie Limited	England	Ordinary shares	100%	Non trading
Robinson Leslie Management Limited	England	Ordinary shares	100%	Non trading
D S Howell (Insurance Brokers) Limited	England	Ordinary shares	100%	Non trading
Sutton Barnard Limited	England	Ordinary shares	100%	Non trading
David Moore and Company (Insurance Brokers) Limited	England	Ordinary shares	100%	Insurance brokers
David Moore and Company (Newport) Limited	England	Ordinary shares	100%	Non trading
Edge Tancred Limited	England	Ordinary shares	100%	Non trading
Elliott Garden Limited	England	Ordinary shares	100%	Non trading
Shephard Holdings Limited	England	Ordinary shares	100%	Non trading
RD & PE Shephard Limited	England	Ordinary shares	100%	Non trading
Shephard Herriot Limited	England	Ordinary shares	100%	Non trading
Fiveshields Limited	England	Ordinary shares	100%	Non trading
Professional Indemnity Marketing Limited	England	Ordinary shares	100%	Insurance brokers
Paul Murphy Insurance Services Limited	England	Ordinary shares	100%	Insurance brokers
Hancock General Insurance Services Limited	England	Ordinary shares	100%	Insurance brokers
Carrick Neill & Co. Limited	Scotland	Ordinary shares	100%	Insurance brokers
Archibald Reid (Insurance Brokers) Limited	England	Ordinary shares	100%	Insurance brokers
AGM (Insurance Brokers) Limited	England	Ordinary shares	100%	Insurance brokers
Henley Risk Management Limited	England	Ordinary shares	100%	Insurance brokers

On 3 March 2008, the company acquired 1,223,646,541 DMWSL 587 Rollover Loan Notes 2018 of £0.01 each.

DMWSL 586 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period 17 January 2008 to 31 August 2008

7. DEBTORS

	2008 £'000
Amounts due from group undertakings	123,981
Other debtors	306
	<u>124,287</u>

Other debtors relates to interest receivable on the investment in DMWSL 587 Rollover Loan Notes. The interest for the period to 31 August 2008 together with subsequent interest is due on the redemption date of 2 March 2018.

8. CREDITORS: amounts falling due within one year

	2008 £'000
Amounts due to group undertakings	<u>12,236</u>

9. CREDITORS: amounts falling due after more than one year

	2008 £'000
Loan notes	123,981
Accrued loan note interest	7,417
	<u>131,398</u>

The loan notes were issued on 3 March 2008 and are repayable on 2 March 2018. The Unsecured Loan Notes of £123,940,000 accrue interest at a rate of 12% per annum and the DMWSL 586 Rollover Loan Notes accrue interest at a rate of 5% per annum. The interest for the period to 31 August 2008 together with subsequent interest will be paid on the redemption date of 2 March 2018.

10. SHARE CAPITAL

Authorised share capital:	2008 £
100 ordinary shares of £1 each	<u>100</u>
Allotted, called up and fully paid:	£
100 ordinary shares of £1 each	<u>100</u>

DMWSL 586 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Period 17 January 2008 to 31 August 2008

11. PROFIT AND LOSS ACCOUNT

	2008 £'000
On incorporation	-
Loss for the period	(7,111)
	<hr/>
At 31 August 2008	(7,111)
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12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2008 £'000
Opening shareholders' funds	-
Loss for the financial period	(7,111)
	<hr/>
Closing shareholders' deficit	(7,111)
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13. PARENT AND ULTIMATE HOLDING COMPANY

The immediate parent and ultimate holding company is DMWSL 585 Limited. A copy of the consolidated financial statements is available from DMWSL 585 Limited, Holland House, 4 Bury Street, London, EC2A 1DX.

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available to subsidiary undertakings in FRS 8 "Related Party Disclosures" not to report transactions with other group companies on the basis that consolidated financial statements are available for the ultimate parent company.

At 31 August 2008 the company owed loan note balances to the following individual. The terms of these loan notes are detailed in note 9. Loan note interest of £889,000 was accrued in the period.

	2008 £'000
C M Giles	14,850
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15. POST BALANCE SHEET EVENTS

On 20 October 2008 the unsecured loan notes, as per note 9, were admitted to the Official List of the Channel Islands Stock Exchange.