Company registration number (England and Wales) 4873421

NAMECO (NO. 801) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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NAMECO (NO. 801) LIMITED

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NAMECO (NO. 801) LIMITED

COMPANY INFORMATION

COMPANY PERSONNEL

Directors	Fidentia Trustees Ltd M J Argyle
Company Secretary	Fidentia Nominees Ltd

COMPANY ADDRESSES

Registered office	3 Castlegate Grantham Lincolnshire NG31 6SF
Member's agent	Alpha Insurance Analysts Ltd 107 Fenchurch Street London EC3M 5JF
Auditors	Humphrey & Co 7 - 9 The Avenue Eastbourne East Sussex BN21 3YA
Administrator	Fidentia Services LLP 3 Castlegate Grantham, Lincolnshire NG31 6SF

NAMECO (NO. 801) LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

The directors have pleasure in presenting their report together with the financial statements for the year ended 31 December 2011

Results and dividends
The profit for the year after taxation was £48,888 (2010 profit £46,694) Interim dividends of £42,193 (2010 £546,524) were paid during the year The directors do not recommend the payment of a final dividend

Principal activities and review of the business
The principal activity of the Company in the year under review was that of a corporate underwriting member of Lloyd's The Company commenced underwriting with effect from 1 January 2004

The result for the year is in respect of the 2011 annual accounting year, which consists of movements in the 2009, 2010 and 2011 years of account as well as any 2008 and prior run-off years Gross premiums written decreased from £2,334,880 to £1,834,142 compared to the previous year and the overall balance in the technical account increased from £23,112 deficit to £73,835 as a result of the level of claims experienced

The company has continued to underwrite on the 2012 underwriting account where the market conditions are considered favourable for a profitable outcome subject to the level of claims experienced

The key business risks and uncertainties affecting the company are considered to relate to insurance risk, investment and currency risk and regulatory risk

Financial risk management objectives and policies
The Company is principally exposed to financial risk through its participation on Lloyd's Syndicates It has delegated sole management and control of its underwriting through each Syndicate to the Managing Agent of that Syndicate and it looks to the Managing Agent to implement appropriate policies, procedures and internal controls to manage each Syndicates' exposures to insurance risk, credit risk, market risk, liquidity risk and operational risk The Company is also directly exposed to these risks, but they are not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the Company

Hedge accounting is not used by the Company

Key performance indicators
The directors monitor the performance of the Company by reference to the following key performance indicators

	2011	2010
Capacity (youngest underwriting year) (£)	1,863,297	2,497,741
Gross premium written as a % of capacity	98 44%	93 48%
Combined ratio	99 03%	105 56%

The combined ratio is the ratio of net claims incurred, commissions and expenses to net premiums earned

Directors and directors' interests
The directors who held office at any time during the period are listed below

Fidentia Trustees Ltd
M J Argyle

NAMECO (NO. 801) LIMITED

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

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 elected to prepare 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 transaction and 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 2006

The directors 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

Auditors
The auditors, Humphrey & Co, are deemed to be reappointed under Section 487(2) of the Companies Act 2006

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

Approved by the Board on 2 August 2012 and signed on its behalf by

M J Argyle for and on behalf of Fidentia Trustees Limited
Director

NAMECO (NO. 801) LIMITED

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF NAMECO (NO. 801) LIMITED

We have audited the financial statements of Nameco (No 801) Limited for the year ended 31 December 2011 on pages 5 to 21 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 a Report of the Auditors 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 the directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 In addition we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report

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 December 2011 and of its profit 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 period 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 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

Andrew Robinson (Senior Statutory Auditor)
for and on behalf of Humphrey & Co
Chartered Accountants
Statutory Auditor

Humphrey & Co
7 - 9 The Avenue
Eastbourne
East Sussex
BN21 3YA

Date 6 August 2012

NAMECO (NO. 801) LIMITED

PROFIT AND LOSS ACCOUNT - TECHNICAL ACCOUNT (GENERAL BUSINESS)

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Gross premiums written	2	1,834,142	2,334,880
Outward reinsurance premiums		(316,570)	(445,275)
Net premiums written		1,517,572	1,889,605
Change in the provision for unearned premiums			
Gross provision		241,147	49,372
Reinsurers' share		(34,138)	1,802
Net change in the provision for unearned premiums		207,009	51,174
Earned premiums net of reinsurance		1,724,581	1,940,779
Allocated investment income	4	60,470	89,201
Claims paid			
Gross amount		(1,279,168)	(1,303,604)
Reinsurers' share		217,372	196,264
Net claims paid		(1,061,796)	(1,107,340)
Change in provision for claims			
Gross amount		(70,442)	(294,135)
Reinsurers' share		106,587	72,835
Net change in provision for claims		36,145	(221,300)
Claims incurred net of reinsurance		(1,025,651)	(1,328,640)
Net operating expenses	5	(682,149)	(720,134)
Investment expenses and charges		(3,416)	(4,318)
Balance on technical account for general business		73,835	(23,112)

NAMECO (NO. 801) LIMITED

PROFIT AND LOSS ACCOUNT - NON TECHNICAL ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Balance on the general business technical account		73,835	(23,112)
Investment income	6	176	198
Other income	7	-	104,005
Other charges		(18,270)	10,744
Profit on ordinary activities before taxation	8	55,741	91,835
Tax on profit on ordinary activities	17	(6,853)	(45,141)
Profit for the financial year		48,888	46,694

The company has no recognised gains or losses other than the profit for the financial years stated above

All amounts above relate to continuing operations

NAMECO (NO. 801) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2011

Company registration number (England and Wales) 4873421

ASSETS	Note	Syndicate Participation £	Corporate £	2011 Total £	2010 Total £
Intangible assets					
Syndicate participation rights	9	-	14,556	14,556	18,195
Investments					
Financial investments	10	2,744,417	-	2,744,417	2,963,245
Deposits with ceding undertakings		1,087	-	1,087	1,217
Total investments		2,745,504	-	2,745,504	2,964,462
Reinsurers' share of technical provisions					
Provision for unearned premiums		85,826	-	85,826	127,374
Claims outstanding		593,661	-	593,661	515,346
Other technical provisions		303,720	-	303,720	270,750
Total reinsurers' share of technical provisions		983,207	-	983,207	913,470
Debtors					
Arising out of direct insurance operations	11				
Policyholders		5,970	-	5,970	7,922
Intermediaries		452,226	-	452,226	629,072
Arising out of reinsurance operations	11	64,140	-	64,140	76,027
Other debtors	12	461,263	46,317	507,580	557,603
Total debtors		983,599	46,317	1,029,916	1,270,624
Other assets					
Cash at bank	13	475,994	124,580	600,574	601,157
Other		2,169	-	2,169	1,995
Total other assets		478,163	124,580	602,743	603,152
Prepayments and accrued income					
Accrued interest		7,475	-	7,475	5,703
Deferred acquisition costs		180,217	-	180,217	322,901
Other prepayments and accrued income		17,096	-	17,096	10,610
Total prepayments and accrued income		204,788	-	204,788	339,214
Total assets		5,395,261	185,453	5,580,714	6,109,117

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NAMECO (NO. 801) LIMITED

BALANCE SHEET (continued)
AS AT 31 DECEMBER 2011

Company registration number (England and Wales) 4873421

	Note	Syndicate Participation £	Corporate £	2011 Total £	2010 Total £
LIABILITIES					
Capital and reserves					
Called-up share capital	14	-	1	1	1
Share premium account	15	-	-	-	-
Profit and loss account	15	80,736	(76,027)	4,709	(1,986)
Shareholder's funds attributable to equity interests	16	80,736	(76,026)	4,710	(1,985)
Technical provisions					
Provision for unearned premiums		755,886	-	755,886	1,135,048
Claims outstanding - gross amount		3,989,429	-	3,989,429	3,899,198
Total technical provisions		4,745,315	-	4,745,315	5,034,246
Provisions for other risks and charges					
Provision for taxation	17	-	49,873	49,873	63,526
Deposits received from reinsurers		845	-	845	1,465
Creditors					
Arising out of direct insurance operations		118,208	-	118,208	214,046
Arising out of reinsurance operations		211,444	-	211,444	270,382
Amounts due to credit institutions		-	-	-	-
Other creditors	18	206,636	211,606	418,242	483,475
Total creditors		536,288	211,606	747,894	967,903
Accruals and deferred income					
Other accruals and deferred income		32,077	-	32,077	43,962
Total liabilities		5,395,261	185,453	5,580,714	6,109,117

Approved by the Board on 2 August 2012 and signed on its behalf by

M J Argyle for and on behalf of Fidentia Trustees Limited
Director

NAMECO (NO. 801) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Net cash inflow from operating activities	19	206,926	465,329
Returns on investments and servicing of finance			
Interest received		176	198
Interest paid		-	-
Dividends received		-	-
Dividends paid		(42,193)	(546,524)
Net cash (outflow) from returns on investments and servicing of finance		(42,017)	(546,326)
Taxation			
UK corporation tax paid		(106,047)	(133,426)
Foreign tax paid		(7,128)	(4,772)
Net cash (outflow) from taxation		(113,175)	(138,198)
Capital expenditure and financial investment			
Purchase of syndicate participation rights		-	(18,195)
Proceeds from sale of syndicate participation rights		-	104,005
Purchase of investments		-	-
Proceeds from sale of investments		-	-
Net cash inflow from capital expenditure and financial investment		-	85,810
Net cash inflow before financing		51,734	(133,385)
Financing			
Funds lent to the company by the company's shareholders		20,058	-
Issue of share capital		-	-
Net cash inflow from financing		20,058	-
Increase in cash		71,792	(133,385)
Net funds at 1 January		52,788	186,173
Increase in cash in the year		71,792	(133,385)
Net funds at 31 December		124,580	52,788

The Company has no control over the disposition of assets and liabilities at Lloyd's Consequently, the Cash Flow Statement is prepared reflecting only the movement in corporate funds, which includes transfers to and from the Syndicates at Lloyd's

1 Accounting policies

1 1 Basis of preparation

The Financial Statements have been prepared in accordance with the Companies Act 2006 and Regulation 6 of Schedule 3 to the Large and Medium Sized Companies And Groups (Accounts and Reports) Regulations 2008 and the recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers in 2005 They are prepared under the historical cost basis of accounting modified to include the revaluation of investments, and comply with applicable accounting standards

Basis of accounting

The technical account has been prepared on an annual basis of accounting, whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums net of re-insurance Amounts reported in the technical account relate to movements in the period in respect of all relevant years of account of the Syndicates on which the company participates

Accounting information in respect of the Syndicate participations has been provided by the Syndicate managing agents through an information exchange facility operated by Lloyd's and has been reported on by the Syndicate auditors

Assets and liabilities arising as a result of the underwriting activities are mainly controlled by the Syndicates' managing agents and are shown separately on the Balance Sheet as "Syndicate Assets" and "Syndicate Liabilities" The assets are held subject to trust deeds for the benefit of the Syndicates' insurance creditors

In continuing to apply the going concern basis to this Company's Financial Statements the following factors have been taken into account the likely timing of any underwriting and non-underwriting cash flows, any Funds at Lloyd's supporting the Company's underwriting and not reflected in the Company's Balance Sheet and the continued support of the Directors and Shareholders including the potential deferral of balances due to them

General business

i Premiums

Gross premiums are accounted for in the period in which the risk commences, together with adjustments to premiums written in previous accounting periods Future premiums relating to risks commencing in the period are based upon estimates made by the Syndicates' management Other adjustments are accounted for as arising

ii Unearned premiums

Written premium is earned according to the risk profile of the policy Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the balance sheet date, calculated on a time apportionment basis having regard where appropriate, to the incidence of risk The specific basis adopted by each Syndicate is determined by the relevant managing agent

iii Deferred acquisition costs

Acquisition costs, which represent commission and other related expenses, are deferred over the period in which the related premiums are earned

iv Reinsurance premiums

Reinsurance premium costs are allocated by the Managing Agent of each Syndicate to reflect the protection arranged in respect of the business written and earned

v Claims

Provision is made for the estimated cost of claims outstanding at the end of the year, including those incurred but not reported at that date, and for the related cost of settlement Claims incurred comprise amounts paid or provided in respect of claims occurring during the current year, together with the amount by which settlement or reassessment of claims from previous years differs from the provision at the beginning of the year

The claims provision determined by the managing agent will have been based on information that was currently available at the time However, the ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided and will be reflected in the financial statements for the period in which the adjustment is made

vi Closed years of account

At the end of the third year, the underwriting account is normally closed by reinsurance into the following year of account The amount of the reinsurance to close premium payable is determined by the managing agent, generally by estimating the cost of claims notified but not settled at 31 December, together with the estimated cost of claims incurred but not reported at that date, and an estimate of future claims handling costs

Any subsequent variation in the ultimate liabilities of the closed year of account is borne by the underwriting year into which it is reinsured

The payment of a reinsurance to close premium does not eliminate the liability of the closed year for outstanding claims If the reinsuring Syndicate was unable to meet its obligations, and the other elements of Lloyd's chain of security were to fail, then the closed underwriting account would have to settle outstanding claims

The Directors consider that the likelihood of such a failure of the reinsurance to close is extremely remote, and consequently the reinsurance to close has been deemed to settle the liabilities outstanding at the closure of an underwriting account The company has included its share of the reinsurance to close premiums payable as technical provisions at the end of the current period, and no further provision is made for any potential variation in the ultimate liability of that year of account

vii Run-off years of account

Where an underwriting year of account is not closed at the end of the third year (a "run-off" year of account) a provision is made for the estimated cost of all known and unknown outstanding liabilities of that year The provision is determined initially by the managing agent on a similar basis to the reinsurance to close However, any subsequent variation in the ultimate liabilities for that year remains with the corporate member participating therein As a result any run-off year will continue to report movements in its results after the third year until such time as it secures a reinsurance to close

viii Investments and allocated investment income

In accordance with Lloyd's current accounting practice, investments are stated at market value, including accrued interest at the Balance Sheet date Investment income is included in the General Business Technical Account reflecting that earned on the investment portfolio managed by the Syndicates The allocated investment income therefore comprises income received and investment profits and losses arising in the calendar year including appreciation/depreciation and accrued interest consequent upon the revaluation of investments at 31 December All gains and losses on investments are treated as realised at the Balance Sheet date

ix Basis of currency translation

Syndicates maintain separate funds in Sterling, United States and Canadian dollars, and may also do so in certain other currencies All transactions where separate currencies are maintained are translated into Sterling at the rates of exchange ruling at the Balance Sheet date Transactions during the period in other overseas currencies are expressed in Sterling at the rates ruling at the transaction date

x Debtors/creditors arising from insurance/reinsurance operations

The amounts shown in the Balance Sheet include the totals of all the Syndicates outstanding debit and credit transactions No account has been taken of any offsets which may be applicable in calculating the net amounts due between the Syndicates and each of their counterparty insureds, reinsurers or intermediaries as appropriate

xi Distribution of profits and collection of losses

Lloyd's operates a detailed set of regulations regarding solvency and the distribution of profits and payment of losses between Syndicates and their members Lloyd's continues to require membership of Syndicates to be on an underwriting year of account basis and profits and losses belong to members according to their membership of a year of account Normally profits and losses are transferred between the Syndicate and members after results for a year of account are finalised after 36 months This period may be extended if a year of account goes into run-off The Syndicate may make earlier on account distributions or cash calls according to the cash flow of a particular year of account and subject to Lloyd's requirements

1 2 Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities have not been discounted

1 3 Intangible assets

Costs incurred by the Company in the Corporation of Lloyd's auctions in order to acquire rights to participate on Syndicates' underwriting years are included within intangible assets and amortised over a 5 year period beginning with the respective year of Syndicate participation

1 4 Investments

Investments held directly by the company, by trustees of the Premium Trust Fund, or as the Lloyd's Deposit, are stated at market value

2 Class of business

2011	Gross written premiums £	Gross premiums earned £	Gross claims incurred £	Operating expenses £	Reinsurance balance £
Direct					
Accident and health	63,758	67,473	(37,677)	(26,871)	(2,329)
Motor - third party liability	5,865	7,051	(3,386)	(2,414)	(408)
Motor - other classes	225,087	263,181	(216,997)	(90,035)	32,267
Marine, aviation and transport	209,188	238,897	(89,750)	(71,509)	(15,268)
Fire and other damage to property	327,792	396,545	(232,330)	(133,790)	(37,219)
Third party liability	410,852	430,946	(208,019)	(163,126)	(16,472)
Credit and suretyship	26,904	28,470	(10,733)	(6,341)	(2,851)
Other	155,852	181,511	(40,962)	(92,319)	(42,668)
Total direct	1,425,298	1,614,074	(839,854)	(586,405)	(84,948)
Reinsurance business					
Reinsurance balance	408,844	461,215	(509,756)	(95,744)	58,199
Total	1,834,142	2,075,289	(1,349,610)	(682,149)	(26,749)

2010	£	£	£	£	£
Direct					
Accident and health	71,013	74,934	(34,588)	(32,222)	(3,681)
Motor - third party liability	8,068	6,753	(3,745)	(2,020)	(127)
Motor - other classes	276,545	282,735	(449,139)	(91,366)	(10,138)
Marine, aviation and transport	253,206	260,191	(121,729)	(70,612)	(19,371)
Fire and other damage to property	465,297	480,116	(248,629)	(156,335)	(61,488)
Third party liability	489,743	435,738	(254,928)	(137,188)	(1,783)
Credit and suretyship	33,021	31,604	(7,341)	(9,781)	(6,433)
Other	135,945	176,253	(94,066)	(91,681)	11,675
Total direct	1,732,838	1,748,324	(1,214,165)	(591,205)	(91,346)
Reinsurance business					
Reinsurance balance	602,042	635,928	(383,574)	(128,929)	(83,028)
Total	2,334,880	2,384,252	(1,597,739)	(720,134)	(174,374)

Any open year loss provisions, stop loss premiums and stop loss recoveries have been allocated across the classes of business by reference to the gross premiums written

3 Geographical analysis

	2011 £	2010 £
Direct gross premiums written in		
United Kingdom	1,425,298	1,732,838
Other EU member states	-	-
The rest of the world	-	-
Total	1,425,298	1,732,838

4 Allocated investment income

	2011 £	2010 £
Investment income	64,747	85,835
Realised (loss)/gain on investments	(4,277)	3,366
Total	60,470	89,201

5 Net operating expenses

	2011 £	2010 £
Acquisition costs	516,310	541,628
Administrative expenses	167,462	214,316
Profit on exchange	(1,623)	(35,810)
Total	682,149	720,134

6 Investment income

	2011 £	2010 £
Income from other investments (including interest receivable)	176	198
Realised gain from other investments	-	-
Unrealised gain from other investments	-	-
Total	176	198

7 Other income

	2011 £	2010 £
Profit on sale of syndicate participation rights	-	104,005
Other	-	-
Total	-	104,005

8 Profit on ordinary activities before taxation

	2011 £	2010 £
This is stated after charging		
Auditor's remuneration - audit	810	900
Auditor's remuneration - other	-	-
Director's remuneration	-	-
Employer's National Insurance contributions	-	-
Employer's pension contributions	-	-
Wages and salaries	-	-
Amortisation of syndicate capacity	3,639	-
Impairment of syndicate capacity	-	-

The company has no employees

9 Intangible assets

	Syndicate Participation Rights £
Cost	
At 1 January 2011	92,920
Additions	-
Disposals	-
At 31 December 2011	92,920
Amortisation	
At 1 January 2011	74,725
Charge for the period	3,639
Impairment losses	-
Disposals	-
At 31 December 2011	78,364
Net book value	
At 31 December 2011	14,556
At 31 December 2010	18,195

10 Investments Financial investments

	Syndicate £	Corporate £	2011 Total £	2010 Total £
At market value				
Shares and other variable yield securities	294,531	-	294,531	278,592
Debt securities and other fixed income securities	2,350,615	-	2,350,615	2,537,736
Participation in investment pools	41,257	-	41,257	102,529
Loans guaranteed by mortgage	24,586	-	24,586	24,996
Other loans	10,719	-	10,719	10,852
Deposits with credit institutions	22,422	-	22,422	7,036
Other	287	-	287	1,504
Total	2,744,417	-	2,744,417	2,963,245

The corporate investments held include £Nil (2010 £Nil) at market value in respect of Lloyd's deposits that are held in accordance with the constraints detailed in note 20

10 Investments Financial investments (continued)

	Syndicate £	Corporate £	2011 Total £	2010 Total £
At cost				
Shares and other variable yield securities	292,576	-	292,576	263,833
Debt securities and other fixed income securities	2,372,086	-	2,372,086	2,549,960
Participation in investment pools	40,736	-	40,736	99,354
Loans guaranteed by mortgage	24,736	-	24,736	25,263
Other loans	10,652	-	10,652	10,852
Deposits with credit institutions	22,422	-	22,422	7,036
Other	234	-	234	1,226
Total	2,763,442	-	2,763,442	2,957,524

11 Debtors arising out of direct insurance and reinsurance operations

	Syndicate £	Corporate £	2011 Total £	2010 Total £
The following amounts are due after one year				
Direct insurance operations	2,260	-	2,260	80,106
Reinsurance operations	3,899	-	3,899	1,161
Total	6,159	-	6,159	81,267

12 Other debtors

	Syndicate £	Corporate £	2011 Total £	2010 Total £
Deferred tax	-	-	-	-
Other	461,263	46,317	507,580	557,603
Total	461,263	46,317	507,580	557,603

Corporate other debtors includes £Nil (2010 £Nil) due to the company after more than one year
Syndicate other debtors includes £62,468 (2010 £34,352) due to the company after more than one year

13 Cash at bank

	Syndicate £	Corporate £	2011 Total £	2010 Total £
Lloyd's deposit	182,266	51,610	233,876	282,508
Cash at bank and in hand	293,728	72,970	366,698	318,649
Total	475,994	124,580	600,574	601,157

Any Lloyd's deposit is held in accordance with the constraints detailed in note 20

14 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
1 Ordinary shares of £1 00	1	1
Nil Preference shares	-	-

15 Statement of movements on reserves

	Share premium account £	Profit and loss account £
At 1 January 2011	-	(1,986)
Premium on shares issued during the period	-	-
Profit during the period	-	48,888
Dividends	-	(42,193)
At 31 December 2011	-	4,709

16 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Retained profit/(loss) for the financial period	6,695	(499,830)
Proceeds from the issue of shares	-	-
Net addition to/(depletion in) shareholders' funds	6,695	(499,830)
Opening shareholders' funds	(1,985)	497,845
Closing shareholders' funds	4,710	(1,985)

17 Taxation

	2011 £	2010 £
Analysis of charge in period		
Current tax		
UK Corporation Tax on profits of the period	18,791	111,158
Adjustments in respect of prior years	(5,413)	-
Foreign tax	7,128	4,772
Total current tax	20,506	115,930

17 Taxation (continued)

	2011 £	2010 £
Analysis of charge in period		
Deferred tax		
Origination and reversal of timing differences	(4,503)	(70,789)
Changes in tax rates	(2,719)	-
Other items	-	-
Total deferred tax	(13,653)	(70,789)
Tax on profit on ordinary activities	6,853	45,141

Factors affecting tax charge for the period
The tax assessed for the period is different than the standard rate of Corporation Tax in the UK of 20 25%
The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before taxation	55,741	91,835
Profit on ordinary activities before taxation multiplied by the standard rate of Corporation Tax in the UK of 20 25%	11,287	19,285
Effects of		
(Income)/Expenses not (taxable)/deductible	1,743	(7,229)
Timing differences arising from the taxation of the underwriting results	10,947	103,373
Timing differences arising from the taxation of syndicate participation movements	-	-
Tax losses carried forward and/or available for group relief	-	-
Adjustments to tax charge in respect of prior periods	-	(302)
Other adjustments	(3,471)	803
Current tax charge for the year	20,506	115,930

Factors that may affect future tax charges
The company has trading losses of £Nil (2010 - £Nil) available for carry forward against future trading profits

17 Taxation (continued)

	2011	2010
	£	£
Provision for deferred tax		
At 1 January	63,526	-
(Credit)/Charge to the profit and loss account	(13,653)	63,526
Released or utilised in the period	-	-
At 31 December	49,873	63,526

Full provision has been made for all timing differences apart from the recovery of taxation losses against future trading profits, which cannot be prudently anticipated at this time

The deferred tax asset not provided for in respect of Corporation Tax losses, and deferred tax losses not yet assessable to Corporation Tax, amounted to £Nil (2010 - £Nil)

18 *Other creditors*

	Syndicate	Corporate	2011	2010
	£	£	£	£
Other creditors	206,636	163,617	370,253	372,015
Social security costs	-	-	-	-
Corporation tax	-	18,791	18,791	111,460
Shareholders' loan account	-	29,198	29,198	-
	206,636	211,606	418,242	483,475

19 Reconciliation of operating profit before interest to net cash inflow from operating activities

	2011	2010
	£	£
Operating profit before interest	55,565	91,637
Prior year result distributable in year	174,661	434,899
Loss/(Profit) on sale of syndicate participation rights	-	(104,005)
Increase in creditors	80,218	41,107
Increase in debtors	(107,157)	1,691
Amortisation and impairment of syndicate participation rights	3,639	-
Net cash inflow from operating activities	206,926	465,329

Note that the current year technical profit of £73,835, which has not been distributed in the period, is included within the increase in debtors line above

20 Funds at Lloyd's

Cash balances of £51,610 (2010 - £6,046) detailed in note 13 and investments of £Nil (2010 - £Nil) detailed in note 10 are held within the company's Lloyd's deposit These balances exclude any amounts held via the syndicates

The Lloyd's deposit represents funds deposited with the Corporation of Lloyd's (Lloyd's) to support the company's underwriting activities as described in the accounting policies The company has entered into a legal agreement with Lloyd's which gives the Corporation the right to apply these funds in settlement of any claims arising from the company's participation on Lloyd's Syndicates These funds can only be released from the provision of this deed with Lloyd's express permission and only in circumstances where the amounts are either replaced by an equivalent asset or after the expiration of the company's liabilities in respect of its underwriting

In addition to these amounts, the shareholders of the company have also made available to Lloyd's assets amounting to approximately £994,007 that are also used by the company to support its Lloyd's underwriting These funds are also available to Lloyd's to meet the personal underwriting liabilities of the shareholders for underwriting years prior to the commencement of trading by the company

21 Related party transactions

During the year Donard Limited, the parent company, withdrew £Nil (2010 - £546,524) from the company and introduced £33,053 (2010 - £548,061) leaving a creditor due from the company of £29,198 (2010 - debtor £3,855) at the balance sheet date

22 Ultimate controlling party

The parent company is Donard Limited