Registered Number (England and Wales) OC347607

WOODSFORD UNDERWRITING LLP

MEMBERS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2010

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WOODSFORD UNDERWRITING LLP

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WOODSFORD UNDERWRITING LLP

GENERAL INFORMATION

		Appointed
Designated Members	Fidentia Nominees Ltd	2 Aug 2009
	Fidentia Trustees Ltd	2 Aug 2009
	Y J M Bonavero	2 Aug 2009
	A G M L Bonavero	2 Aug 2009

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
Administrators	Fidentia Services LLP 3 Castlegate Grantham, Lincolnshire NG31 6SF

WOODSFORD UNDERWRITING LLP

MEMBERS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2010

The members have pleasure in presenting their report together with the financial statements for the period ended 31 December 2010

Principal Activity

The principal activity of the Partnership in the period under review was that of a Limited Liability Underwriting Member of Lloyd's The Partnership incorporated on 02 August 2009 and commenced underwriting with effect from 1st January 2010

Designated members

The Designated Members during the period under review were

Fidentia Nominees Ltd
Fidentia Trustees Ltd
Y J M Bonavero
A G M L Bonavero

Results for the period and allocation to members

The Financial Statements incorporate the annual accounting results of the syndicates on which the Partnership participated for the 2010 year of account The 2010 year of account will normally close at 31 December 2012

The result for the period is shown in the profit and loss account

Members' interests

The net loss of the Partnership for the financial period is allocated to each Member in accordance with their respective profit shares for the relevant year(s) of account

Future developments

The Partnership continues to write insurance business in the Lloyd's insurance market as a limited liability underwriting member of Lloyd's

Financial risk management objectives and policies
The LLP 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 LLP 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 LLP

Hedge accounting is not used by the LLP

WOODSFORD UNDERWRITING LLP

MEMBERS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2010

Statement of members' responsibilities

Legislation applicable to Limited Liability Partnerships requires the Members to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the Partnership and the profit or loss of the Partnership for that period

In preparing those Financial Statements, the Members 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 Financial Statements, and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume the Partnership will continue in business

The Members are responsible for ensuring that proper and up to date books of account are maintained in accordance with generally accepted accounting principles, disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the Financial Statements comply with the Limited Liability Partnership Regulations They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditors

Messrs Humphrey & Co were appointed as auditors to the Partnership during the period and, having signified their willingness to continue in office, will be proposed for re-appointment at the forthcoming AGM

Approved by the Members on 26 April 2011 and signed on its behalf by

M J Argyle for and on behalf of Fidentia Trustees Limited
Designated Member

WOODSFORD UNDERWRITING LLP

INDEPENDENT AUDITORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2010

We have audited the financial statements of Woodsford Underwriting LLP for the period ended 31 December 2010 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 LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 (as applied by the LLP's (Accounts and Audit) (Application of Companies Act 2006) regulations 2008 Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an audit 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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of the members and auditors

As explained more fully in the Members Report set out on page 3, the members 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 LLP's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the members, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the LLP's affairs as at 31 December 2010 and of its loss for the period 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Members 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 members' 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
7 - 9 The Avenue
Eastbourne
East Sussex
BN21 3YA

27 April 2011

WOODSFORD UNDERWRITING LLP

PROFIT AND LOSS ACCOUNT - TECHNICAL ACCOUNT (GENERAL BUSINESS)

FOR THE PERIOD ENDED 31 DECEMBER 2010

	Note	2010 £
Gross premiums written	2	1,188,637
Outward reinsurance premiums		(258,829)
Net premiums written		929,808
Change in the provision for unearned premiums		
Gross provision		(472,223)
Reinsurers' share		76,175
Net change in the provision for unearned premiums		(396,048)
Earned premiums net of reinsurance		533,760
Allocated investment income	4	3,961
Claims paid		
Gross amount		(41,589)
Reinsurers' share		4,881
Net claims paid		(36,708)
Change in provision for claims		
Gross amount		(390,608)
Reinsurers' share		82,495
Net change in provision for claims		(308,113)
Claims incurred net of reinsurance		(344,821)
Net operating expenses	5	(196,774)
Investment expenses and charges		(782)
Balance on technical account for general business		(4,656)

WOODSFORD UNDERWRITING LLP

PROFIT AND LOSS ACCOUNT - NON TECHNICAL ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2010

	Note	2010 £
Balance on the general business technical account		(4,656)
Investment income	6	124
Other income	7	-
Other charges		(149,616)
Profit/(loss) for the financial period before members' remuneration and profit shares	8	(154,148)
Members' remuneration charged as an expense		154,148
Profit/(loss) for the financial period available for distribution among Members	14	-

The LLP has no recognised gains or losses other than the loss for the financial period stated above

All amounts above relate to continuing operations

WOODSFORD UNDERWRITING LLP

Registered Number (England and Wales) OC347607

BALANCE SHEET
AS AT 31 DECEMBER 2010

ASSETS	Note	Syndicate Participation £	Partnership £	2010 Total £
Intangible assets				
Syndicate participation rights	9	-	269,291	269,291
Investments				
Financial investments	10	262,700	-	262,700
Deposits with ceding undertakings		607	-	607
Total investments		263,307	-	263,307
Reinsurers' share of technical provisions				
Provision for unearned premiums		75,171	-	75,171
Claims outstanding		24,209	-	24,209
Other technical provisions		57,701	-	57,701
Total reinsurers' share of technical provisions		157,081	-	157,081
Debtors				
Arising out of direct insurance operations	11			
Policyholders		-	-	-
Intermediaries		278,960	-	278,960
Arising out of reinsurance operations	11	3,695	-	3,695
Other debtors	12	162,923	-	162,923
Total debtors		445,578	-	445,578
Other assets				
Cash at bank and in hand	13	14,418	2,670	17,088
Other		11,606	-	11,606
Total other assets		26,024	2,670	28,694
Prepayments and accrued income				
Accrued interest		183	-	183
Deferred acquisition costs		110,439	-	110,439
Other prepayments and accrued income		1,370	-	1,370
Total prepayments and accrued income		111,992	-	111,992
Total assets		1,003,982	271,961	1,275,943

/continued

WOODSFORD UNDERWRITING LLP

Registered Number (England and Wales) OC347607

BALANCE SHEET (continued)
AS AT 31 DECEMBER 2010

	Note	Syndicate Liabilities £	Partnership £	2010 Total £
LIABILITIES AND MEMBERS' INTERESTS				
Members' interests due within one year				
Members' capital classified as a liability under FRS 25	14	-	267,305	267,305
Technical provisions				
Provision for unearned premiums		470,139	-	470,139
Claims outstanding - gross amount		390,851	-	390,851
Total technical provisions		860,990	-	860,990
Provisions for other risks and charges		-	-	-
Deposits received from reinsurers		-	-	-
Creditors				
Arising out of direct insurance operations		3,645	-	3,645
Arising out of reinsurance operations		95,916	-	95,916
Amounts due to credit institutions		-	-	-
Other creditors	15	36,058	4,656	40,714
Total creditors		135,619	4,656	140,275
Accruals and deferred income				
Other accruals and deferred income		7,373	-	7,373
Total liabilities		1,003,982	271,961	1,275,943
TOTAL MEMBERS' INTERESTS				
Loans and other debts due to members		-	267,305	267,305
Loans and other debts due from members		-	-	-
Total members' interest		-	267,305	267,305

Approved by the Members on 26 April 2011 and signed on its behalf by

M J Argyle for and on behalf of Fidentia Trustees Limited
Designated Member

WOODSFORD UNDERWRITING LLP

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2010

	Note	2010 £
Net cash outflow from operating activities	16	**(22,758)**
Returns on investments and servicing of finance		
Interest received		124
Interest paid		-
Dividends received		-
Net cash inflow from returns on investments and servicing of finance		**124**
Capital expenditure and financial investment		
Purchase of syndicate participation rights		(396,149)
Proceeds from sale of syndicate participation rights		-
Purchase of investments		-
Proceeds from sale of investments		-
Net cash outflow from capital expenditure and financial investment		**(396,149)**
Net cash outflow before financing		**(418,783)**
Transactions with Members and former Members		
Payments to Members		-
Contributions by Members		421,453
Post retirement payments to former Members		-
Net cash inflow from Members		**421,453**
Increase in cash		**2,670**
Net funds on incorporation		-
Increase in cash in the period		**2,670**
Net funds at 31 December 2010		**2,670**

The Partnership 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 Partnership funds, which includes transfers to and from the syndicates at Lloyd's

WOODSFORD UNDERWRITING LLP

NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES

FOR THE PERIOD ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Basis of preparation

The Financial Statements are prepared under the historical cost basis of accounting modified to include the revaluation of investments and comply with applicable Accounting Standards

The Partnership participates in insurance business as an underwriting member of various syndicates at Lloyd's

The Financial Statements have been prepared in accordance with the Companies Act 2006 and the recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers in December 2005, as amended in December 2006 The Financial Statements have also been prepared in accordance with the Statement of Recommended Practice on Accounting by Limited Liability Partnerships dated March 2006

Accounting information in respect of the syndicate participations has been provided by the syndicate managing agents and has been reported upon by the syndicate auditors

Basis of accounting

The Financial Statements are prepared using the annual basis of accounting Under the annual basis of accounting a result is determined at the end of each accounting period reflecting the profit or loss from providing insurance coverage during that period and any adjustments to the profit or loss of providing insurance cover during earlier accounting periods

Amounts reported in the general business technical account relate to movements in the period in respect of all relevant years of account of the syndicates on which the Partnership participates

Assets and liabilities arising as a result of the underwriting activities are mainly controlled by the syndicates' managing agents Accordingly, these assets and liabilities have been shown separately on the Balance Sheet as "Syndicate Participation" Other assets and liabilities are shown as "Partnership" The syndicate assets are held subject to trust deeds for the benefit of the syndicates' insurance creditors

General business

i **Premiums**

Premiums written comprise the total premiums receivable in respect of business incepted during the year, together with any differences between booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified to the syndicates on which the Partnership participates, less an allowance for cancellations All premiums are shown gross of commission payable to intermediaries and exclude taxes and duties levied on them

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 incurred and reinsurers' share

Claims incurred comprise claims and settlement expenses (both internal and external) occurring in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported and settlement expenses, together with any other adjustments to claims from previous years Where applicable, deductions are made for salvage and other recoveries

The provision for claims outstanding comprises amounts set aside for claims notified and claims incurred but not yet reported (IBNR) The amount included in respect of IBNR is based on statistical techniques of estimation applied by each syndicate's in house reserving team and reviewed by external consulting actuaries These techniques generally involve projecting from past experience the development of claims over time to form a view of the likely ultimate claims to be experienced for more recent underwriting, having regard to variations in the business accepted and the underlying terms and conditions The provision for claims also includes amounts in respect of internal and external claims handling costs For the most recent years, where a high degree of volatility arises from projections, estimates may be based in part on output from rating and other models of the business accepted and assessments of underwriting conditions

The reinsurers' share of provisions for claims is based on calculated amounts of outstanding claims and projections for IBNR, net of estimated irrecoverable amounts, having regard to each syndicate's reinsurance programme in place for the class of business, the claims experience for the year and the current security rating of the reinsurance companies involved Each syndicate uses a number of statistical techniques to assist in making these estimates

Accordingly the two most critical assumptions made by each syndicates' managing agent as regards claims provisions are that the past is a reasonable predictor of the likely level of claims development and that the rating and other models used including pricing models for recent business are reasonable indicators of the likely level of ultimate claims to be incurred

The level of uncertainty with regard to the estimations within these provisions generally decreases with time since the underlying contracts were exposed to new risks In addition the nature of short tail claims such as property where claims are typically notified and settled within a short period of time will normally have less uncertainty after a few years than long tail risks such as some liability business where it may be several years before claims are fully advised and settled In addition to these factors if there are disputes regarding coverage under policies or changes in the relevant law regarding a claim this may increase the uncertainty in the estimation of the outcomes

The assessment of these provisions is usually the most subjective aspect of an insurer's accounts and may result in greater uncertainty within an insurer's accounts than within those of many other businesses The provisions for gross claims and related reinsurance recoveries have been assessed on the basis of the information currently available to the directors of each syndicate's managing agent However, ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided Adjustments to the amounts of claims provisions established in prior years are reflected in the Financial Statements for the period in which the adjustments are made The provisions are not discounted for the investment earnings that may be expected to arise in the future on the funds retained to meet the future liabilities The methods used, and the estimates made, are reviewed regularly

vi Unexpired risks provisions

Provisions for unexpired risks are made where costs of outstanding claims, related expenses and deferred acquisition costs are expected to exceed the unearned premium provision carried forward at the balance sheet date The provision for unexpired risks is calculated separately by reference to classes of business which are managed together, after taking into account relevant investment return The provision is made on a syndicate by syndicate basis by the relevant managing agent.

vii **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 members 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 Partnership 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.

viii **Run-off years of account**

Where a 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 underwriting 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.

xi **Net Operating Expenses (including Acquisition Costs)**

Net operating costs include acquisition costs, profit and loss on exchange and other amounts incurred by the syndicates on which the Partnership participates.

Acquisition costs, comprising commission and other costs related to the acquisition of new insurance contracts, are deferred to the extent that they are attributable to premiums unearned at the Balance Sheet date.

x **Basis of currency translation**

Syndicates maintain separate funds in Sterling, United States and Canadian dollars, and may also do so in certain other currencies.

Income and expenditure in US dollars, Canadian dollars and Euros is translated at the average rate of exchange for the year. Underwriting transactions denominated in other foreign currencies are included at the rate of exchange ruling at the date the transaction is processed.

Assets and liabilities are translated into Sterling at the rates of exchange at the Balance Sheet date.

Differences arising on translation of foreign currency amounts in syndicates are included in the non-technical account.

xi **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.

xii 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

xiii Investments

Investments are stated at current value, including accrued interest at the Balance Sheet date

xiv Investment Return

Investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses and charges

Realised and unrealised gains and losses are measured by reference to the original cost of the investment if purchased in the year, or if held at the beginning of the year by reference to the current value at that date

Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the general business technical account to reflect the investment return on funds supporting the underwriting business

1 2 Members' Interests

The net profit of the Partnership for the financial period is allocated to each Member in accordance with their respective profit shares for the relevant year(s) of account

The net loss of the Partnership for the financial period is allocated to each Member in accordance with their respective yearly shares for the relevant year(s) of account

Loans and other debts due to Members rank pari passu with other unsecured creditors on the winding up of a partnership

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 3 year period beginning with the respective year of Syndicate participation

1 4 Taxation

Income tax payable on the Partnership's profits is solely the personal liability of the Members and consequently is not dealt within these Financial Statements

1 5 Cash flow statement

The Partnership 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 syndicates at Lloyd's

2 Class of business

2010	Gross written premiums £	Gross premiums earned £	Gross claims incurred £	Operating expenses £	Reinsurance balance £
Direct					
Accident and health	41,758	20,723	(13,079)	(9,085)	(713)
Motor - third party liability	5,634	1,835	(1,075)	(769)	(26)
Motor - other classes	11,965	4,572	(2,595)	(1,849)	(66)
Marine, aviation and transport	208,826	118,984	(67,196)	(31,717)	(13,132)
Fire and other damage to property	312,805	154,827	(89,616)	(52,645)	(21,624)
Third party liability	199,015	110,474	(81,673)	(34,309)	(6,953)
Credit and suretyship	25,103	12,144	(5,549)	(3,210)	(2,400)
Other	2,648	1,142	(671)	(440)	(15)
Total direct	807,754	424,701	(261,454)	(134,024)	(44,929)
Reinsurance business					
Reinsurance balance	380,883	291,713	(170,743)	(62,750)	(50,349)
Total	1,188,637	716,414	(432,197)	(196,774)	(95,278)

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	2010 £
Direct gross premiums written in	
United Kingdom	807,754
Other EU member states	-
The rest of the world	-
Total	807,754

4 Allocated investment income	2010 £
Investment income	3,476
Realised gain on investments	485
Total	3,961

5 Net operating expenses	2010 £
Acquisition costs	128,882
Administrative expenses	65,964
Loss on exchange	1,928
Total	196,774

6 Investment income

	2010 £
Income from other investments (including interest receivable)	124
Realised gain from other investments	-
Unrealised gain from other investments	-
Total	124

7 Other income

	2010 £
(Loss)/Profit on sale of syndicate participation rights	-
Other	-
Total	-

8 Profit/(loss) for the financial period before members' remuneration and profit shares

	2010 £
This is stated after charging	
Auditor's remuneration - audit	881
Auditor's remuneration - other	-
Members' remuneration	-
Employer's National Insurance contributions	-
Employer's pension contributions	-
Wages and salaries	-
Amortisation of syndicate capacity	126,858
Impairment of syndicate capacity	-

The partnership has no employees

The average number of members during the period was 4

9 Intangible assets	Syndicate Participation Rights
	£
Cost	
Additions	396,149
Disposals	-
At 31 December 2010	**396,149**
Amortisation	
Charge for the period	126,858
Impairment losses	-
Disposals	-
At 31 December 2010	**126,858**
Net book value	
At 31 December 2010	**269,291**

10 Investments Financial investments	Syndicate	Partnership	2010 Total
	£	£	£
At market value			
Shares and other variable yield securities	48,570	-	**48,570**
Debt securities and other fixed income securities	206,050	-	**206,050**
Participation in investment pools	4,547	-	**4,547**
Loans guaranteed by mortgage	1,448	-	**1,448**
Other loans	1,685	-	**1,685**
Deposits with credit institutions	359	-	**359**
Other	41	-	**41**
Total	262,700	-	**262,700**

The partnership investments held include £Nil at market value in respect of Lloyd's deposits that are held in accordance with the constraints detailed in note 19

10 Investments Financial investments (continued)

	Syndicate £	Partnership £	2010 Total £
At cost			
Shares and other variable yield securities	47,525	-	47,525
Debt securities and other fixed income securities	207,101	-	207,101
Participation in investment pools	4,054	-	4,054
Loans guaranteed by mortgage	1,463	-	1,463
Other loans	1,685	-	1,685
Deposits with credit institutions	359	-	359
Other	41	-	41
Total	262,228	-	262,228

11 Debtors arising out of direct insurance and reinsurance operations

	Syndicate £	Partnership £	2010 Total £
The following amounts are due after one year			
Direct insurance operations	304	-	304
Reinsurance operations	468	-	468
Total	772	-	772

12 Other debtors

	Syndicate £	Partnership £	2010 Total £
Deferred tax	-	-	-
Other	162,923	-	162,923
Total	162,923	-	162,923

Partnership other debtors includes £Nil due to the LLP after more than one year
Syndicate other debtors includes £9,702 due to the LLP after more than one year

13 Cash at bank

	Syndicate £	Partnership £	2010 Total £
Lloyd's deposit	14,418	-	14,418
Cash at bank and in hand	-	2,670	2,670
Total	14,418	2,670	17,088

Any Lloyd's deposit is held in accordance with the constraints detailed in note 19

14 Members' interests	Syndicate	Partnership Members' Capital Classified as a Liability		Total
	Members' Capital Classified as a Liability	Syndicate Capacity	Other Profits	
	£	£	£	£
Introduced by Members	-	421,453	-	421,453
Members' remuneration charged as an expense for the period	-	-	(154,148)	(154,148)
Reallocation	-	-	-	-
Repayment of debt (including Members' capital classified as a liability)	-	-	-	-
Other movements	-	-	-	-
Members' interests at 31 December 2010	-	421,453	(154,148)	267,305

15 Other creditors	Syndicate	Partnership	2010
	£	£	£
Other creditors	36,058	4,656	40,714
Social security costs	-	-	-
Members' capital account	-	-	-
	36,058	4,656	40,714

16 Reconciliation of operating loss before interest to net cash outflow from operating activities

	2010
	£
Operating loss before interest	(154,272)
Loss on sale of syndicate participation rights	-
Increase in creditors	4,656
Decrease in debtors	-
Amortisation and impairment of syndicate participation rights	126,858
Net cash outflow from operating activities	(22,758)

Note that the current period technical loss of £4,656, which has not been distributed in the period, is included within the increase in creditors line above

17 Related party transactions

There are no related party transactions during the period ending 31st December 2010

18 Ultimate controlling party

No individual person has overall control of the LLP

19 Fund's at Lloyds

Cash balances of £Nil detailed in note 13 and investments of £Nil detailed in note 10 are held within the LLP'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 LLP's underwriting activities as described in the accounting policies The LLP 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 LLP'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 LLP's liabilities in respect of its underwriting

The LLP's Lloyd's underwriting is supported by a guarantee of £700,000 from Coutts & Co The assets supporting the bank guarantee have been provided by the members of the LLP