

Registration No. 2094082

**Additional Underwriting Agencies
(No 5) Limited**

Report and Financial Statements

for the year ended

31 December 2010



Additional Underwriting Agencies (No. 5) Limited**Report and Financial Statements
for the year ended 31 December 2010**

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Additional Underwriting Agencies (No. 5) Limited

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2010

Principal Activity and Business Review

The principal activity of the company continues to be the fulfilment of the requirements of the direction of the Council of Lloyd's dated 1 July 1987. Under this direction the company acts as Members' Agent for those Names who had open years of account for 1985 and earlier years and who conducted their underwriting through PCW/Richard Beckett Underwriting Agencies Limited, Upton Underwriting Agencies Limited or W M D Underwriting Agencies Limited. The activities included representing the Names who did not accept the 1987 offer from Lloyd's and those to whom that offer was not extended.

All names who were in a position to do so accepted the 1996 offer from Lloyd's (Reconstruction & Renewal) and therefore all open accounts have now been reinsured by Equitas.

On 10 November 2006, Equitas Limited, Equitas Holdings Limited and Equitas Management Services Limited entered into a retrocession and run-off contract with a Berkshire Hathaway group undertaking, National Indemnity Company ('NICO') (as subsequently amended), becoming effective on 30 March 2007, under which all of Equitas Limited's liabilities in respect of 1992 and prior non-life business written at Lloyd's by members and former members of Lloyd's were retroceded to NICO. This first phase of the transaction provided substantial additional retrocessional cover for Equitas and hence the relevant members and former members of Lloyd's who originally underwrote the non-life business.

Following court approval on 25 June 2009, Phase 2 of the transaction was completed on 30 June 2009 when the liabilities of members and former members of Lloyd's in respect of non-life business allocated to the 1992 or prior years of account were transferred to Equitas Insurance Limited, a newly formed FSA authorised insurance company within the Equitas Group, pursuant to the provisions of an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000. The transfer relieves the members and former members concerned from the transferred liabilities under English law and the law of every other state within the EEA.

The continuing activities of the company are limited to residual matters relating to the offers.

Risk and Uncertainties

The Corporation of Lloyd's has indemnified the company against any actions, claims or costs arising out of, or in connection with the company's activities as a substitute members' agent.

The Lloyd's Central Fund has undertaken to provide the company with such funds as will enable it to meet all its liabilities and commitments as and when they fall due and to ensure the continued solvency of the company.

Results

There was neither a profit nor a loss for 2010 and 2009. The directors do not recommend the payment of a dividend.

Future developments

The principal activity of the company was to act as a Members' Agent at Lloyd's for Names who had open years of account for 1985 and prior. It is the intention of the Board to wind-up the company as soon as practicable.

Directors and secretary

The officers who served during the year were

| | |
|-----------|------------------------|
| Directors | W F Goodier (Chairman) |
| | N C Haydon |
| Secretary | T W S Taylor |

Additional Underwriting Agencies (No. 5) Limited

Directors' report *continued*

Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information required in connection with the auditor's report, of which the auditor is unaware. Each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

It is the intention of the directors to reappoint the auditor under the deemed appointment rules of section 487 of the Companies Act 2006.

For and on behalf of the board



For and on behalf of
T Taylor
Secretary



04.07

2011

Registered Number 2094082

Additional Underwriting Agencies (No. 5) Limited

Statement of directors' responsibilities in respect of the financial statements

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). 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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Additional Underwriting Agencies (No. 5) Limited

Independent auditor's report to the members of Additional Underwriting Agencies (No. 5) Limited

We have audited the financial statements of Additional Underwriting Agencies (No 5) Limited for the year ended 31 December 2010 which comprise the Profit and Loss account, the Balance Sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion 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 2010 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Angus Millar (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

8 July

2011

Additional Underwriting Agencies (No. 5) Limited**Profit and loss account**

for the year ended 31 December 2010

| | Note | 2010 £ | 2009 £ |
|--|------|-----------|-----------|
| Turnover – continuing activities | 2 | 15,205 | 25,062 |
| Expenses | | | |
| Staff costs | 3 | (12,254) | (13,387) |
| Other operating charges | | (2,951) | (11,675) |
| | | (15,205) | (25,062) |
| Operating profit – continuing activities | 4 | - | - |
| Result on ordinary activities before taxation | | - | - |
| Taxation | 5 | - | - |
| Result for the year | | - | - |

There are no recognised gains or losses for the year ended 31 December 2010 or year ended 31 December 2009 other than those incorporated in the profit and loss account

Additional Underwriting Agencies (No. 5) Limited

Balance sheet as at 31 December 2010

| | Note | 2010 £ | 2009 £ |
|--|------|------------------|------------------|
| Current assets | | | |
| Cash at bank | | 7,515 | 6,494 |
| Prepayments | | 247 | 584 |
| Sundry Debtors | | 1,979 | - |
| | | <u>9,741</u> | <u>7,078</u> |
| Creditors – amounts falling due within one year | | | |
| Accruals | | (8,886) | (8,886) |
| Creditors – amounts falling due after one year | | | |
| Due to the Corporation of Lloyd's | | (803,718) | (801,055) |
| | | <u>(812,604)</u> | <u>(809,941)</u> |
| Net liabilities | | <u>(802,863)</u> | <u>(802,863)</u> |
| Capital and reserves | | | |
| Called up share capital | 6 | 1,000 | 1,000 |
| Profit and loss account | | (803,863) | (803,863) |
| | | <u>(802,863)</u> | <u>(802,863)</u> |
| Shareholders' funds – equity interests | 7 | (802,863) | (802,863) |

By order of the Board



Director

04.07.2011

Additional Underwriting Agencies (No. 5) Limited

Notes to the financial statements

as at 31 December 2010

1 Accounting policies

Basis of accounting

Accounting convention

The financial statements are prepared under the historical cost convention in accordance with applicable UK accounting standards. A cash flow statement has not been prepared as the Company is a wholly owned subsidiary of the Corporation of Lloyd's in whose group financial statements (the 'Society of Lloyd's') a consolidated cash flow is included.

The Corporation of Lloyd's has indemnified the company against any actions, claims or costs arising out of, or in connection with the company's activities as a substitute members' agent.

The Lloyd's Central Fund has undertaken to provide the company with such funds as will enable it to meet all its liabilities and commitments as and when they fall due and to ensure the continued solvency of the company. In view of this undertaking the financial statements have been prepared on a going-concern basis.

2 Turnover

Turnover comprises the reimbursement of 2010 expenses by the Lloyd's Central Fund.

3 Staff costs

| | 2010 £ | 2009 £ |
|-------------------------|-----------|-----------|
| Directors' remuneration | (12,254) | (13,387) |
| | <hr/> | <hr/> |
| | (12,254) | (13,387) |
| | <hr/> | <hr/> |

| | 2010 Number | 2009 Number |
|--|----------------|----------------|
| The average number of persons employed during the year was | 3 | 3 |
| | <hr/> | <hr/> |

4 Operating profit

| | 2010 £ | 2009 £ |
|---|-----------|-----------|
| Operating profit is stated after charging Auditor's remuneration – audit fees | (515) | (515) |
| | <hr/> | <hr/> |

5 Taxation

No tax charge arises during the year under review (2009 £nil)

Additional Underwriting Agencies (No. 5) Limited

Notes to the financial statements *continued*

as at 31 December 2010

| | | | |
|----------|---|-----------|-----------|
| 6 | Called up share capital | 2010 | 2009 |
| | | £ | £ |
| | Authorised 1,000 shares of £1 each | 1,000 | 1,000 |
| | | <hr/> | <hr/> |
| | Allotted, called up and fully paid 1,000 shares of £1 each | 1,000 | 1,000 |
| | | <hr/> | <hr/> |
| 7 | Reconciliation of movements in shareholders' funds | 2010 | 2009 |
| | | £ | £ |
| | Result for the financial year | - | - |
| | Opening shareholders' funds | (802,863) | (802,863) |
| | | <hr/> | <hr/> |
| | Closing shareholders' funds | (802,863) | (802,863) |
| | | <hr/> | <hr/> |

8 Related party disclosures

The company has taken advantage of the exemption contained within FRS8, and has not disclosed transactions with group companies. There were no other related party transactions in 2010.

9 Parent undertaking

The ultimate parent undertaking is the Society of Lloyd's which is incorporated in the United Kingdom under Lloyd's Act 1871 and is subject to the provisions of Lloyd's Acts 1871 to 1982. Copies of the financial statements of the Society of Lloyd's are available from 1 Lime Street, London, EC3M 7HA.

Additional Underwriting Agencies (No. 5) Limited**Detailed profit and loss account**

for the year ended 31 December 2010 (Not Audited)

| | 2010 £ | 2009 £ |
|-----------------------------------|-----------|-----------|
| Turnover | | |
| Lloyd's Central Fund Contribution | 15,205 | 25,062 |
| | <hr/> | <hr/> |
| | 15,205 | 25,062 |
| | <hr/> | <hr/> |
| Expenses | | |
| Staff costs | | |
| Directors emoluments | (12,254) | (13,387) |
| | <hr/> | <hr/> |
| | (12,254) | (13,387) |
| | <hr/> | <hr/> |
| Other operating expenses | | |
| Legal and professional fees | (1,327) | (10,730) |
| Bank charges | (1,109) | (430) |
| Audit fee | (515) | (515) |
| | <hr/> | <hr/> |
| | (2,951) | (11,675) |
| | <hr/> | <hr/> |
| Operating profit | - | - |
| Interest payable | - | - |
| | <hr/> | <hr/> |
| Result for the year | - | - |
| | <hr/> | <hr/> |