
LIMITED LIABILITY PARTNERSHIP

D S Adams LLP

Financial Statements

◆ For the year ended 31 December 2010 ◆

WEDNESDAY



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COMPANIES HOUSE

Registered Number: OC323553

D S Adams LLP

CONTENTS

	Page No
General information	2
Members' report	3
Independent auditors' report	5
Profit and loss account – Technical account – General business	7
Profit and loss account – Non technical account	8
Balance sheet	9
Cash flow statement	11
Statement of accounting policies	12
Notes to the Financial Statements	16

D S Adams LLP

GENERAL INFORMATION

DESIGNATED MEMBERS

Argenta Continuity Limited
Argenta LLP Services Limited

MEMBERS' AGENT

(Regulated by the Financial Services Authority)
Argenta Private Capital Limited

AUDITORS

Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

REGISTERED NUMBER

OC323553

REGISTERED OFFICE

Fountain House
130 Fenchurch Street
London, EC3M 5DJ

ACCOUNTANTS

Argenta Private Capital Limited
Fountain House
130 Fenchurch Street
London
EC3M 5DJ

D S Adams LLP

MEMBERS' REPORT For the year ended 31 December 2010

The Members present their report together with the Financial Statements for the year ended 31 December 2010

STATEMENT OF MEMBERS' RESPONSIBILITIES

Legislation applicable to Limited Liability Partnerships requires the Members to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Partnership and of 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 departure 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 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, and 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

ACTIVITIES

The principal activity of the Partnership in the year under review was that of a limited liability underwriting member of Lloyd's

RESULTS

The financial statements incorporate the annual accounting results of the syndicates on which the Limited Liability Partnership participates for the 2008, 2009 and 2010 years of account, as well as any 2007 and prior run-off years

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

FUTURE DEVELOPMENTS

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

DESIGNATED MEMBERS

The Designated Members during the period were as follows

Argenta Continuity Limited
Argenta LLP Services Limited

D S Adams LLP

MEMBERS' REPORT For the year ended 31 December 2010

MEMBERS' INTERESTS

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

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

AUDITORS

Mazars LLP have signified their willingness to act and continue to be appointed as the auditors to the Limited Liability Partnership

Approved by the Members on 10 June 2011 and signed on their behalf by



D C BOWLES
ARGENTA LLP SERVICES LIMITED
Designated Member

D S Adams LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF D S Adams LLP For the year ended 31 December 2010

We have audited the Financial Statements of D S Adams LLP for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Limited Liability Partnership's Members, 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 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 Limited Liability Partnership and the Limited Liability Partnership's Members, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Members and auditors

As described in the Statement of Members' Responsibilities the Limited Liability Partnership's Members are responsible for the preparation of Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards of Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view, whether the Financial Statements are properly prepared in accordance with the Companies Act 2006 and whether the information given in the Members' Report is consistent with the Financial Statements. We also report to you if, in our opinion, the Limited Liability Partnership 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 Members' remuneration and transactions with the Limited Liability Partnership is not disclosed.

We read the Members' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Members in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Limited Liability Partnership'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.

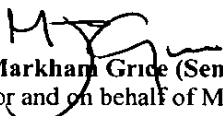
D S Adams LLP

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF D S Adams LLP
For the year ended 31 December 2010**

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 Limited Liability Partnership's affairs as at 31 December 2010 and of its profit/loss for the year then ended,
- the Financial Statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Members' Report is consistent with the Financial Statements


Markham Grice (Senior statutory auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory auditor
Tower Bridge House
St Katharine's Way
London E1W 1DD

10 June 2011

D S Adams LLP

PROFIT & LOSS ACCOUNT – TECHNICAL ACCOUNT – GENERAL BUSINESS For the year ended 31 December 2010

	Note	2010 £	2009 £
Earned premiums, net of reinsurance			
Gross premiums written			
Continuing operations	1	458,188	482,669
Outward reinsurance premiums	1	(82,716)	(92,195)
Net premiums written		375,472	390,474
Change in the provision for unearned premiums			
Gross provision	1	3,177	8,571
Reinsurers' share	1	(3,032)	4,903
Earned premiums, net of reinsurance		375,617	403,948
Allocated investment return transferred from the non-technical account		14,602	24,343
Other technical income, net of reinsurance		222	2,133
Claims incurred net of reinsurance claims paid			
Gross amount	1	(252,955)	(273,414)
Reinsurers' share	1	37,965	44,131
Net claims paid		(214,990)	(229,283)
Change in provision for claims			
Gross amount	1	(46,969)	41,468
Reinsurers' share	1	3,787	(4,989)
Net change in provisions for claims		(43,182)	36,479
Claims incurred, net of reinsurance		(258,172)	(192,804)
Changes in other technical provisions, net of reinsurance		-	-
Net operating expenses	1, 2	(136,707)	(139,272)
Other technical charges, net of reinsurance		-	-
Balance on the technical account for general business		(4,438)	98,348

The accounting policies and notes on pages 12 to 20 form part of these Financial Statements

D S Adams LLP

PROFIT & LOSS ACCOUNT – NON TECHNICAL ACCOUNT For the year ended 31 December 2010

	Note	2010 £	2009 £
Balance on general business technical account		(4,438)	98,348
Investment income	3	25,666	33,271
Unrealised gains on investments		5,746	12,720
Investment expenses and charges	4	(10,130)	(12,762)
Unrealised losses on investments		(6,674)	(8,862)
Allocated investment return transferred to the general business technical account		(14,602)	(24,343)
Other income		788	(2,520)
Other charges		(22,323)	(23,102)
Profit/(loss) for the financial period before Members' remuneration and profit shares	5	(25,967)	72,750
Members' remuneration charged as an expense	6	-	-
Profit/(loss) for the financial period available for division among Members	9	(25,967)	72,750

The Limited Liability Partnership has no recognised gains or losses other than the profit or loss for the year

All items derive from continuing activities

In accordance with the amendment to the Financial Reporting Standard 3 "Reporting Financial Performance", the inclusion of unrealised gains and losses in the profit and loss account to reflect the marking to market of investments in the balance sheet is deemed not to be a material departure from the historical cost basis of accounting. Accordingly, a separate note of historical cost profits and losses is not given.

The accounting policies and notes on pages 12 to 20 form part of these Financial Statements

D S Adams LLP

BALANCE SHEET As at 31 December 2010

	Note	31 December 2010			31 December 2009		
		Syndicate Participation £	Partnership £	Total £	Syndicate Participation £	Partnership £	Total £
Assets							
Intangible assets	7	-	11,543	11,543	-	23,553	23,553
Investments							
Financial investments	8	510,891	-	510,891	531,066	-	531,066
Deposits with ceding undertakings		229	-	229	189	-	189
		511,120	-	511,120	531,255	-	531,255
Reinsurers' share of technical provisions							
Provision for unearned premiums		23,584	-	23,584	21,419	-	21,419
Claims outstanding		143,955	-	143,955	142,942	-	142,942
Other technical provisions		-	-	-	-	-	-
		167,539	-	167,539	164,361	-	164,361
Debtors							
Arising out of direct insurance operations		113,372	-	113,372	116,091	-	116,091
Arising out of reinsurance operations		67,309	-	67,309	87,020	-	87,020
Other debtors		70,128	-	70,128	60,044	-	60,044
		250,809	-	250,809	263,155	-	263,155
Other assets							
Cash at bank and in hand		27,891	1,009	28,900	21,279	1,480	22,759
Other		55,184	-	55,184	47,725	-	47,725
		83,075	1,009	84,084	69,004	1,480	70,484
Prepayments and accrued income							
Accrued interest		1,335	-	1,335	2,612	-	2,612
Deferred acquisition costs		46,104	-	46,104	44,577	-	44,577
Other prepayments and accrued income		2,161	-	2,161	2,006	-	2,006
		49,600	-	49,600	49,195	-	49,195
Total assets		1,062,143	12,552	1,074,695	1,076,970	25,033	1,102,003

The accounting policies and notes on pages 12 to 20 form part of these Financial Statements

D S Adams LLP

BALANCE SHEET As at 31 December 2010

	Note	31 December 2010			31 December 2009		
		Syndicate Participation £	Partnership £	Total £	Syndicate Participation £	Partnership £	Total £
Liabilities and Members' interests							
Members' interests due within one year							
Members' capital classified as a liability under FRS 25	9	47,525	(14,490)	33,035	121,500	12,915	134,415
Technical provisions							
Provision for unearned premiums		196,694	-	196,694	196,864	-	196,864
Claims outstanding – gross amount		695,094	-	695,094	632,877	-	632,877
Other technical provisions		-	-	-	-	-	-
Provisions for other risks and charges							
		-	-	-	-	-	-
Deposit received from reinsurers		268	-	268	2,245	-	2,245
Creditors							
Arising out of direct insurance operations		31,244	-	31,244	34,484	-	34,484
Arising out of reinsurance operations		45,419	-	45,419	39,115	-	39,115
Amounts owed to credit institutions		-	-	-	61	-	61
Other creditors including taxation and social security		57,150	-	57,150	53,878	-	53,878
		1,025,869	-	1,025,869	959,524	-	959,524
Accruals and deferred income		(11,251)	27,042	15,791	(4,054)	12,118	8,064
Total liabilities		1,062,143	12,552	1,074,695	1,076,970	25,033	1,102,003

The Financial Statements were approved by the Members of the Limited Liability Partnership and signed on its behalf by



D C BOWLES
ARGENTA LLP SERVICES LIMITED
10 June 2011

Registered Number OC323553

The accounting policies and notes on pages 12 to 20 form part of these Financial Statements

D S Adams LLP

CASH FLOW STATEMENT

For the year ended 31 December 2010

	Note	2010 £	2009 £
Operating activities			
Net cash inflow/(outflow) from operating activities	10(a)	(4,348)	3,187
Returns on investments and servicing of finance			
Interest received		-	-
Interest paid		-	-
Capital expenditure			
Purchase of syndicate capacity		-	-
Proceeds from sale of syndicate capacity		1,254	-
Transactions with Members and former Members			
Payment to Members		-	-
Contributions by Members		2,623	(3,303)
Post retirement payments to former Members		-	-
Net cash inflow/(outflow) for the year	10(b)	<u>(471)</u>	<u>(116)</u>
Cash flows were invested as follows			
Increase/(decrease) in cash holdings		(471)	(116)
Purchase of financial investments		-	-
Sale of financial investments		-	-
Net investment of cash flows	10(b)	<u>(471)</u>	<u>(116)</u>

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

The accounting policies and notes on pages 12 to 20 form part of these Financial Statements

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STATEMENT OF ACCOUNTING POLICIES

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

The Financial Statements have been prepared in accordance with Sections 1164 and 1165 of the Companies Act 2006, and Schedule 3 of SI 2008/410, 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 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 Limited Liability Partnership participates

For each such Syndicate, the Partnership's proportion of the underwriting transactions, investment return and operating expenses has been reflected within the Partnership's profit and loss account. Similarly, its proportion of the Syndicate's assets and liabilities has been reflected in its balance sheet (under the column heading "Syndicate"). The Syndicate's assets are held subject to trust deeds for the benefit of the Partnership's insurance creditors

The proportion referred to above is calculated by reference to the Partnership's participation as a percentage of the Syndicate's total capacity

The Partnership has delegated sole management and control of its underwriting through each Syndicate to the managing agent of the Syndicate ("the Managing Agent") and it has further undertaken not to interfere with the exercise of such management and control. The Managing Agents of the Syndicates are therefore responsible for determining the insurance transactions to be recognised by the Partnership. The only exception to this rule is the level of provision for outstanding claims

Sources of data

The information used to compile the technical account and the "Syndicate" balance sheet is based on returns prepared for this purpose by the Managing Agents of the Syndicates ("the Returns"). These returns have been subjected to audit by the Syndicate auditors and are based on the audited Syndicate returns to Lloyd's and the audited annual reports to Syndicate members

The format of the Returns has been established by Lloyd's and Lloyd's has also been responsible for collating the data at a Syndicate level and analysing it into corporate member level results

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STATEMENT OF ACCOUNTING POLICIES (continued)

i Accounting convention

The financial statements are prepared in accordance with appropriate accounting standards and under the historical cost convention as modified by the revaluation of financial investments

ii Going concern

These financial statements have been prepared on a going concern basis

iii Premiums

Premiums written comprise the total premiums receivable for the whole period of cover provided by the contracts incepting during the financial year, together with any adjustments arising in the year to such premiums receivable in respect of business written in prior years. Premiums are shown gross of commission payable to intermediaries and exclude insurance premium tax. Gross premiums written may include "reinsurance to close" premiums receivable (see vii below). Outward reinsurance premiums may include "reinsurance to close" premiums payable (see vii below). Premiums written by a Syndicate may also include the reinsurance of other syndicates on which the Partnership participates. No adjustments have been made to gross premiums written or outward reinsurance premiums (or to gross and reinsurers' claims) to remove this intersyndicate reinsurance. Unearned premiums represent the proportion of premiums written in the year that relate to the unexpired terms of policies in force at the balance sheet date, calculated on the basis of established earnings patterns or time apportionment as appropriate.

iv Claims incurred

Claims incurred include the costs of claims handling expenses. Recoverable amounts arising out of subrogation or salvage are deducted from the cost of claims. Claims incurred comprise amounts paid or provided in respect of claims occurring during the year to 31 December, together with the amount by which settlement or reassessment of claims from prior years differ from the provision at the beginning of the year.

v Provision for claims outstanding

Claims outstanding comprise amounts set aside for claims notified and claims incurred but not yet reported (IBNR). Provision is made for claims incurred but not paid in respect of events up to 31 December. The provision is based on the Returns and reports from the Managing Agents and the Partnership's licensed adviser or Members' Agent. When appropriate, statistical methods have been applied to past experience of claims frequency and severity.

The two most critical assumptions as regard 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 for current business are fair reflections of the likely level of ultimate claims to be incurred. The members consider the provision for gross claims and related reinsurance recoveries, as based on the Returns to be fairly stated. 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 amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made.

vi Unexpired risk provision

A provision for unexpired risk is made by the underlying Syndicates where claims, related expenses and deferred acquisition costs, likely to arise after the end of the financial period in respect of contracts concluded before that date, are expected to exceed the unearned premiums and premiums receivable under these contracts, after the deduction of any acquisition costs deferred.

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STATEMENT OF ACCOUNTING POLICIES (continued)

vii Reinsurance to close

A reinsurance to close is a particular type of reinsurance contract entered into by Lloyd's Syndicates. Under it, underwriting members (the reinsured members) who are members of a Syndicate for a year of account (the closed year), agree with underwriting members who comprise that or another syndicate for a later year of account (the reinsuring members) that the reinsuring members will indemnify, discharge or procure the discharge, of the reinsured members against all known and unknown liabilities of the reinsured members arising out of insurance business undertaken through that Syndicate and allocated to the closed year in consideration of (1) a premium, and (2) either

- (a) the assignment, or agreement to assign, to the reinsuring members of all the rights of the reinsured members arising out of, or in connection with, that insurance business (including without limitation the right to receive all future premiums, reinsurances and other monies receivable in connection with that insurance business), or
- (b) an agreement by the reinsured members that the reinsuring members shall collect on behalf of the reinsured members the proceeds of all such rights and retain them for their own benefit so far as they are not applied in discharges of the liabilities of the reinsured members

Where the reinsurance to close is between members on successive years of account of the same Syndicate, the Managing Agent has a duty to ensure both sets of members are treated equitably and to set the reinsurance to close with the intention that neither a profit nor a loss accrues to either group of members. To the extent that the Partnership participates on successive years of account of the same syndicate and there is a reinsurance to close between those years, the Partnership has offset its share of the reinsurance to close received against its share of the reinsurance to close paid.

If the Partnership has increased its participation from one year of account to the next, the reinsurance to close paid is eliminated, as a result of this offset, leaving an element of the reinsurance to close received. This reflects the fact that the Partnership has assumed a greater proportion of the business of the Syndicate. If the Partnership has reduced its participation from one year of account to the next, the reinsurance to close received is eliminated, leaving an element of the reinsurance to close paid. This reflects the reduction in the Partnership's exposure to risks previously written by the Syndicate. The reinsurance to close is technically a reinsurance contract and, as such, the payment of a reinsurance to close does not remove from members of that year of account ultimate responsibility for claims payable on risks they have written. If the reinsuring members under the reinsurance to close become insolvent and the other elements of the Lloyd's chain of security also fail, the reinsured members remain theoretically liable for the settlement of any outstanding claims. However, payment of a reinsurance to close is conventionally accepted as terminating a reinsured member's participation on a Syndicate year of account and it is treated for accounts purposes as settling all the Partnership's outstanding gross liabilities in respect of the business so reinsured.

viii Investments

Syndicate Where investments represent the Partnership's share of syndicate investments, they are stated at current value at the balance sheet date. For this purpose, listed investments are stated at market value and deposits with credit institutions and overseas deposits are stated at cost. Unlisted investments for which a market exists are stated at the average price at which they are traded on the balance sheet date or the last trading day before that date.

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STATEMENT OF ACCOUNTING POLICIES (continued)

ix Investment return

Investment income comprises interest receivable and dividends received plus realised and unrealised gains on the disposal of investments. Realised gains and losses arise from the difference between proceeds and valuation at the previous year end, or cost if there has been no previous revaluation. Unrealised investment gains and losses are calculated as the difference between the valuation at the balance sheet date and the valuation at the last balance sheet date or purchase price, if acquired during the year. Investment income is initially recorded in the non-technical account. All investment income arising on Syndicate participations is allocated to the technical account.

x Net operating expenses

Operating expenses are recognised when incurred. They include the Partnership's share of Syndicate operating expenses, the remuneration payable to Managing Agents (and the Partnership's Members' Agent/licensed adviser) and the direct costs of membership of Lloyd's.

xi Foreign currencies

Transactions in United States dollars, Canadian dollars and Euros are translated at the rates of exchange ruling at the date the transaction is processed or at an appropriate average rate. Unless otherwise stated, transactions in currencies other than United States dollars, Canadian dollars and Euros are translated at the rate of exchange ruling at the date the transaction is processed. Monetary assets and liabilities are retranslated into Sterling at the rate of exchange at the balance sheet date. Non-monetary assets and liabilities at the balance sheet date are maintained at the rate of exchange ruling when the contract was entered into (or an appropriate average rate). Exchange differences arising on translation are dealt with in the profit and loss account.

xii Syndicate participation rights

Where the Partnership has purchased the right to participate on Syndicates, the cost is capitalised and amortised in equal annual instalments over five years.

Members' Interests

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

The net loss of the Limited Liability Partnership for the financial year 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.

Taxation

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

Members Agent Fees

The Members consider it more accurate to accrue for the members agent fee and profit commission for the year of account that is closing, currently 2008 for the current period accounts. Previously these expenses were only accrued for in the year that a final distribution was being made. Consequently, 2 years of expenses have been accrued for in the current year accounts for both 2007 and the current closing year, 2008. The effect of this change is an additional accrual of £7,652.

D S Adams LLP

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2010

1. Class of Business

2010	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	26,674	26,257	(10,271)	(14,483)	(740)	763
Motor – third party liability	1,842	1,515	(801)	(536)	(68)	110
Motor – other classes	56,789	57,098	(90,333)	(19,165)	(2,368)	(54,768)
Marine, aviation and transport	55,180	55,590	(25,940)	(15,651)	(4,065)	9,934
Fire and other damage to property	89,825	91,495	(47,321)	(30,706)	(12,233)	1,235
Third party liability	83,150	78,978	(36,379)	(21,763)	(4,876)	15,960
Credit and suretyship	20,883	20,713	(9,679)	(5,941)	(3,186)	1,907
Legal expenses	1,887	2,096	(1,403)	(742)	(15)	(64)
Assistance	-	-	-	-	-	-
Miscellaneous	1,935	2,391	(1,246)	(1,274)	19	(110)
	338,165	336,133	(223,373)	(110,261)	(27,532)	(25,033)
Reinsurance	120,023	125,232	(76,551)	(26,446)	(16,464)	5,771
Total	458,188	461,365	(299,924)	(136,707)	(43,996)	(19,262)

2009	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	17,995	15,634	(7,385)	(6,833)	(631)	785
Motor – third party liability	1,047	1,233	(760)	(314)	(99)	60
Motor – other classes	61,008	56,859	(44,042)	(15,097)	(939)	(3,219)
Marine, aviation and transport	62,790	62,543	(25,252)	(16,976)	(6,926)	13,389
Fire and other damage to property	108,788	108,435	(50,833)	(33,265)	(11,539)	12,798
Third party liability	87,992	87,875	(38,957)	(26,656)	(431)	21,831
Credit and suretyship	5,549	5,999	(8,095)	(1,239)	710	(2,625)
Legal expenses	343	309	(193)	(98)	1	19
Assistance	-	-	-	-	-	-
Miscellaneous	3,475	3,310	(1,395)	(1,296)	-	619
	348,987	342,197	(176,912)	(101,774)	(19,854)	43,657
Reinsurance	133,682	149,043	(55,034)	(37,498)	(28,296)	28,215
Total	482,669	491,240	(231,946)	(139,272)	(48,150)	71,872

All insurance business is underwritten in the UK in the Lloyd's insurance market, which has been treated as one geographical segment for the purpose of SSAP25 Segmental Reporting

D S Adams LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2010

2. Net Operating Expenses	2010	2009
	£	£
Acquisition costs	107,364	107,969
Change in deferred acquisition costs	(266)	3,330
Administrative expenses	17,933	15,890
Reinsurance commissions and profit participations	(9,155)	(9,044)
Personal expenses	20,831	21,127
	136,707	139,272

3. Investment Income	2010	2009
	£	£
Income from investments	14,590	16,204
Gains on the realisation of investments	11,070	17,043
Bank deposit interest	6	24
	25,666	33,271

4. Investment Expenses and Charges	2010	2009
	£	£
Investment management expenses, including interest	889	828
Losses on the realisation of investments	9,241	11,934
	10,130	12,762

5. Profit/(Loss) for the Financial Period Before Members' Remuneration and Profit Shares

	2010	2009
	£	£
The profit/(loss) on ordinary activities is stated after charging/(crediting)		
Amortisation of syndicate capacity	11,544	11,776
(Profit)/loss on disposal of syndicate capacity	(788)	2,520
(Profit)/loss on exchange	(13,131)	5,340
Interest on bank loans and overdrafts	-	-
Other interest	-	-

The Limited Liability Partnership has no employees

The fees payable to the Limited Liability Partnership's auditor for audit services are included in the fees payable to the Members' Agent

D S Adams LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2010

6. Members' Remuneration

The average number of Members during the period was 4

7. Intangible Assets	2010	2009
	£	£
Purchased syndicate capacity		
Cost		
At 1 January 2010	58,883	63,083
Additions	-	-
Disposals	(1,165)	(4,200)
At 31 December 2010	<u>57,718</u>	<u>58,883</u>
Amortisation		
At 1 January 2010	35,330	25,234
Provided during the year	11,544	11,776
Disposals	(699)	(1,680)
At 31 December 2010	<u>46,175</u>	<u>35,330</u>
Net Book Value		
At 31 December 2010	<u>11,543</u>	<u>23,553</u>
At 31 December 2009	23,553	37,849

8. Financial Investments

Other financial investments - Syndicate

	2010 Market Value £	2010 Cost £	2009 Market Value £	2009 Cost £
Shares and other variable yield securities and units in unit trusts	41,969	40,862	27,618	26,510
Debt securities and other fixed income securities	437,942	439,011	480,342	479,244
Participation in investment pools	23,339	22,496	16,576	15,617
Loans secured by mortgages	4,861	4,912	1,166	1,250
Other loans	2,279	2,279	21	21
Deposits with credit institutions	466	466	5,156	5,093
Other	35	335	187	309
	<u>510,891</u>	<u>510,361</u>	<u>531,066</u>	<u>528,044</u>
Listed investments included within the above	<u>503,250</u>	<u>502,369</u>	<u>524,536</u>	<u>521,371</u>

D S Adams LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2010

9. Members' Interests

	Syndicate	Limited Liability Partnership Members' Capital Classified as a Liability		Total
		Members' Capital Classified as a Liability £	Syndicate Capacity £	
Members' interests at 1 January 2010	121,500	23,552	(10,637)	134,415
Introduced by Members	-	-	-	-
Allocated profits/(losses) 2008 year of account	7,004	-	-	7,004
Allocated profits/(losses) 2009 year of account	9,316	-	-	9,316
Allocated profits/(losses) 2010 year of account	(12,259)	(10,756)	(19,272)	(42,287)
Reallocate distribution	(78,036)	-	78,036	-
Repayment of debt (including Members' capital classified as a liability)	-	(1,246)	(74,167)	(75,413)
Other movements	-	-	-	-
Members' interests at 31 December 2010	47,525	11,550	(26,040)	33,035

D S Adams LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2010

10. (a) Reconciliation of Operating Profit/(Loss) to Net Cash Inflow/(Outflow) from Operating Activities	2010	2009
	£	£
Profit/(loss) on ordinary activities before tax	(25,967)	72,750
(Profit)/loss attributable to syndicate transactions	(4,061)	(93,119)
Profit/(loss) – excluding syndicate transactions	(30,028)	(20,369)
(Increase)/decrease in debtors	-	-
Increase/(decrease) in creditors	14,924	9,260
(Profit)/loss on disposal of syndicate capacity	(788)	2,520
Amortisation of syndicate capacity	11,544	11,776
Impairment of syndicate capacity	-	-
Realised/unrealised (gains)/losses on investments	-	-
Net cash inflow/(outflow) from operating activities	(4,348)	3,187

(b) Movement in Cash, Portfolio Investments and Financing

	At 1 January 2010	Cash Flow	Changes to Market Value	At 31 December 2010
	£	£	£	£
Cash	1,480	(471)	-	1,009
Other financial investments	-	-	-	-
	1,480	(471)	-	1,009

11. Related Party Disclosure

There are no related party transactions to be disclosed

12. Ultimate Controlling Party

The ultimate controlling party of the Partnership is Mr D S Adams