

SOC PRIVATE CAPITAL LIMITED
ANNUAL FINANCIAL STATEMENTS

31 March 2002

Company registration number: 741597



SOC PRIVATE CAPITAL LIMITED

Financial Statements

31 March 2002

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SOC PRIVATE CAPITAL LIMITED

Directors' report for the year ended 31 March 2002

The directors present their annual report and the audited financial statements for the year ended 31 March 2002.

1. Principal activities

The activities of the Group during the period consist of acting as a Lloyd's members' underwriting agent and providing a taxation service for Names at Lloyd's and other individuals.

2. Results and dividend

The results of the Group for the period are shown on page 7. The directors do not propose to pay a final dividend (2001:NIL).

3. Board of directors

The directors listed below have held office during the whole of the period up to the date of this report, unless stated otherwise.

| | | |
|-------------------|---------------------------------|-------------------------------|
| Lord Romsey | (Non-Executive Chairman) | |
| Mr A J Annandale | (Managing Director) | |
| Mr T R Bird | | (Appointed 1 May 2001) |
| Mr C J R Fairs | (Compliance Director) | |
| Mr D B K Harrison | (Non-Executive Deputy Chairman) | |
| Mr G B Hudson | | |
| Mr P A Maidens | | (Resigned 9 July 2002) |
| Mr D Monksfield | | |
| Mr M W Payne | (Non-Executive) | (Resigned 12 December 2001) |
| Mr J Pinchin | (Non-Executive) | |
| Mr T R Riddell | (Finance Director) | (Resigned 12 December 2001) |
| Mr P Sandilands | (Non-Executive) | |
| Mr A W Tucker | | (Appointed 12 September 2001) |

SOC PRIVATE CAPITAL LIMITED

Directors' report for the year ended 31 March 2002

4. Directors' interests

The interests of the directors who were in office at 31 March 2002, in the share capital of the company and of other group companies are as follows:

| SOC Group plc Ordinary voting 'A' shares of 10 pence each | 31 March 2002 | 31 March 2001 |
|--|------------------|------------------|
| Lord Romsey | 50,000 | 50,000 |
| Mr A J Annandale | 20,000 | 20,000 |
| Mr C J R Fairs | 10,000 | 10,000 |
| Mr G B Hudson | 10,975 | 10,975 |
| Mr P A Maidens | 66,042 | 66,042 |
| Mr D Monksfield | 10,000 | 10,000 |
| Mr J Pinchin | 25,000 | 25,000 |

| SOC Group plc Share options | 31 March 2002 | 31 March 2001 |
|--------------------------------|------------------|------------------|
| Mr A J Annandale | 200,000 | 200,000 |
| Mr T Bird | 55,000 | 55,000 |
| Mr C J Fairs | 30,000 | 30,000 |
| Mr G B Hudson | 75,000 | 75,000 |
| Mr P A Maidens | 150,000 | 150,000 |
| Mr D Monksfield | 70,000 | 70,000 |

Lord Romsey and Mr Harrison are also directors of Harrison Bros. Underwriting Agencies Limited. Harrison Bros. Underwriting Agencies Limited held 236,190 'A' shares of 10p each on 31 March 2002.

Except as noted no directors had any other interest at any time during the year in the share capital of the company or its parent undertaking.

All the directors, except Messrs Pinchin and Fairs, underwrote at Lloyd's. All other directors underwrote through the company and did so on the same terms and conditions as other Names for whom the company acts.

Except for those disclosed in Note 21, no directors had any other interest in contracts or arrangements with the company during the year.

SOC PRIVATE CAPITAL LIMITED

Directors' report for the year ended 31 March 2002

5. Fixed assets

The movements in fixed assets are set out in note 10 of the financial statements.

6. Directors' and officers' insurance

The company had directors' and officers' insurance in place during the period.

7. Creditor payment policy

The company is responsible for agreeing terms and conditions under which business transactions with their suppliers are conducted. Payments to suppliers are made in accordance with those terms, provided that suppliers also comply with all relevant terms and conditions.

8. Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent; and
- c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

9. Auditors

A resolution to re-appoint Mazars Neville Russell as the company's auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



Mr C J R Fairs
Secretary

122 Leadenhall Street
London
EC3V 4SJ

15 July 2002

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SOC PRIVATE CAPITAL LIMITED

We have audited the financial statements on pages 7 to 21. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 10 to 11.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the 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 United Kingdom Auditing Standards 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors
24 Bevis Marks
London EC3A 7NR

23 July 2002

SOC PRIVATE CAPITAL LIMITED

Consolidated Profit and Loss Account For the year ended 31 March 2002

| | Notes | 2002 £000 | 2001 £000 |
|--|-------|--------------|--------------|
| Revenue | | | |
| Turnover | 2 | 5,810 | 4,641 |
| Investment income | 6 | 36 | 25 |
| | | <hr/> | <hr/> |
| | | 5,846 | 4,666 |
| Expenses | | (3,998) | (4,316) |
| | | <hr/> | <hr/> |
| Operating profit | | 1,848 | 350 |
| Interest payable | 7 | - | (17) |
| | | <hr/> | <hr/> |
| Profit on ordinary activities before taxation | 3 | 1,848 | 333 |
| Taxation credit on profit on ordinary activities | 8 | 10 | - |
| | | <hr/> | <hr/> |
| Profit on ordinary activities after taxation | | 1,858 | 333 |
| Dividend | | - | - |
| | | <hr/> | <hr/> |
| Retained profit for the financial year | 17 | 1,858 | 333 |
| | | <hr/> <hr/> | <hr/> <hr/> |

Revenue and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses other than earnings for the above periods.

SOC PRIVATE CAPITAL LIMITED

Consolidated Balance Sheet at 31 March 2002

| | Notes | 2002 £000 | 2001 £000 |
|---|-------|--------------|--------------|
| Fixed assets: | | | |
| Intangible assets | 9 | 416 | 476 |
| Tangible assets | 10 | 390 | 477 |
| | | <hr/> | <hr/> |
| | | 806 | 953 |
| Current assets | | | |
| Debtors | 12 | 5,618 | 3,996 |
| Cash and deposits | | 433 | 346 |
| | | <hr/> | <hr/> |
| | | 6,051 | 4,342 |
| Creditors: amounts falling due within one year | 13 | 1,944 | 2,594 |
| | | <hr/> | <hr/> |
| Net current assets | | 4,107 | 1,748 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 4,913 | 2,701 |
| | | <hr/> | <hr/> |
| Creditors: amounts falling due after more than one year | 14 | 615 | 226 |
| Provisions for liabilities and charges | 15 | 7 | 42 |
| | | <hr/> | <hr/> |
| | | 622 | 268 |
| | | <hr/> | <hr/> |
| Net assets | | 4,291 | 2,433 |
| | | <hr/> | <hr/> |
| Capital and reserves: | | | |
| Called up share capital | 16 | 500 | 500 |
| Profit and loss account | 17 | 3,791 | 1,933 |
| | | <hr/> | <hr/> |
| | 18 | 4,291 | 2,433 |
| | | <hr/> | <hr/> |

SOC PRIVATE CAPITAL LIMITED

Company Balance Sheet at 31 March 2002

| | Notes | 2002 £000 | 2001 £000 |
|---|-------|--------------|--------------|
| Fixed assets: | | | |
| Intangible assets | 9 | 416 | 476 |
| Tangible assets | 10 | 390 | 477 |
| | | <u>806</u> | <u>953</u> |
| Investments: | | | |
| Subsidiary undertakings | 11 | 51 | 51 |
| | | <u>857</u> | <u>1,004</u> |
| Current assets | | | |
| Debtors | 12 | 5,618 | 3,996 |
| Cash and deposits | | 433 | 346 |
| | | <u>6,051</u> | <u>4,342</u> |
| Creditors: amounts falling due within one year | 13 | 1,995 | 2,645 |
| | | <u>4,056</u> | <u>1,697</u> |
| Net current assets | | | |
| Total assets less current liabilities | | <u>4,913</u> | <u>2,701</u> |
| | | <u>615</u> | <u>226</u> |
| Creditors: amounts falling due after more than one year | 14 | | |
| Provisions for liabilities and charges | 15 | 7 | 42 |
| | | <u>622</u> | <u>268</u> |
| Net assets | | <u>4,291</u> | <u>2,433</u> |
| Capital and reserves: | | | |
| Called up share capital | 16 | 500 | 500 |
| Profit and loss account | 17 | 3,791 | 1,933 |
| | 18 | <u>4,291</u> | <u>2,433</u> |

The financial statements on pages 7 to 21 were approved by the Board of directors on 15 July 2002 and signed on its behalf by:

Mr A J Annandale – Director

SOC PRIVATE CAPITAL LIMITED

Notes to the financial statements – 31 March 2002

1. Accounting policies

Basis of preparation

The company is a wholly owned subsidiary undertaking of SOC Group plc, a company registered in England and Wales. SOC Group plc prepares consolidated financial statements, which include a consolidated cash flow statement.

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

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and of each of its subsidiary undertakings for the year ended 31 March 2002. The results of subsidiary undertakings are consolidated from the date of acquisition to the date of disposal. No profit and loss account is presented for SOC Private Capital Limited as permitted by Section 230 of the Companies Act 1985. The result for the company is the same as for the group in both periods.

Foreign currency translation

Foreign currency transactions are translated into Sterling at the average rate for the period.

Foreign currency monetary assets and liabilities are translated into Sterling at the rate ruling at the balance sheet date. Exchange differences are dealt with in the profit and loss account.

Revenue

Management fees are receivable annually in advance and are recorded in the accounting period to which they relate.

Underwriting profit commission and winding up fees are recorded in the accounting period in which it is determined. The underwriting result, upon which the commission is calculated, is normally declared in the year following the closure of the relevant underwriting account under the Lloyd's three year accounting convention.

SOC Taxation fees are accounted for in the period in which they are earned and are included in Revenue exclusive of VAT.

Interest on short term deposits is credited as it is earned.

Pensions

Pension costs to the defined contribution scheme are charged to the profit and loss account as they accrue.

Tangible fixed assets

Depreciation is provided on all tangible assets on a straight line basis in order to write off the cost of the assets, less their estimated residual values, over their expected useful economic lives.

SOC PRIVATE CAPITAL LIMITED

Notes to the financial statements – 31 March 2002

1. Accounting policies (continued)

Deferred taxation

The Group has adopted FRS 19 Accounting for 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. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in period different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit those earnings. 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 are not discounted.

Adoption of FRS 19 has not resulted in a requirement to restate the comparative figures.

Amortisation of goodwill

Goodwill on acquisition of business is amortised on a straight line basis over a period of ten years in order to write off the cost of the assets over the expected useful economic lives.

2. Operating income

| | 2002 £000 | 2001 £000 |
|-------------------|--------------|--------------|
| Profit commission | - | 9 |
| Management fees | 4,797 | 3,956 |
| Other | 1,013 | 676 |
| | <hr/> | <hr/> |
| | 5,810 | 4,641 |
| | <hr/> | <hr/> |

Operating income arises wholly within the United Kingdom.

3. Profit on ordinary activities before taxation

| | 2002 £000 | 2001 £000 |
|---|--------------|--------------|
| Profit on ordinary activities before taxation is stated after charging: | | |
| Salaries and associated expenses (note 4) | 2,354 | 2,083 |
| Amortisation of intangible fixed assets | 60 | 60 |
| Depreciation of fixed assets after management charge | 99 | 124 |
| Auditors' remuneration | | |
| - Audit | 56 | 22 |
| - Non-Audit services | 140 | 81 |

SOC PRIVATE CAPITAL LIMITED

Notes to the financial statements – 31 March 2002

4. Employee information

| | 2002 £000 | 2001 £000 |
|--|--------------|--------------|
| Wages and salaries (including directors' fees) | 1,998 | 1,733 |
| Social security costs | 188 | 184 |
| Pensions (note 20) | 168 | 166 |
| | <hr/> | <hr/> |
| | 2,354 | 2,083 |
| | <hr/> | <hr/> |

Pension costs relate to charges in respect of the defined benefit and defined contribution schemes.

| Average number of persons employed during the period: | 2002 No | 2001 No |
|--|------------|------------|
| Lloyd's members' agency and taxation services | 37 | 50 |
| | <hr/> | <hr/> |

5. Directors' remuneration

Remuneration disclosed below relates to directors who are remunerated specifically for their services to the company.

| | 2002 £000 | 2001 £000 |
|-------------------------------|--------------|--------------|
| Aggregate emolument | 694 | 507 |
| Company pension contributions | 68 | 45 |
| | <hr/> | <hr/> |
| | 762 | 552 |
| | <hr/> | <hr/> |

SOC PRIVATE CAPITAL LIMITED

Notes to the financial statements – 31 March 2002

5. Directors' remuneration (continued)

Directors' remuneration includes amounts paid to the highest paid director of:

| | 2002 £000 | 2001 £000 |
|-------------------------------|--------------|--------------|
| Aggregate emoluments | 118 | 109 |
| Company pension contributions | 13 | 11 |
| | <u>131</u> | <u>120</u> |

6. Investment income

| | 2002 £000 | 2001 £000 |
|------------------|--------------|--------------|
| Deposit interest | 36 | 25 |

7. Interest payable

| | 2002 £000 | 2001 £000 |
|-------------------------------|--------------|--------------|
| Payable to group undertakings | - | 17 |

SOC PRIVATE CAPITAL LIMITED

Notes to the financial statements – 31 March 2002

8. Taxation on profit on ordinary activities

a) Analysis of charge in the year

| | 2002 £000 | 2001 £000 |
|---|------------------------|---------------------|
| Current tax: | | |
| United Kingdom corporation tax on profits of the period | - | - |
| Adjustments in respect of previous periods | <u>(10)</u> | <u>-</u> |
| | (10) | - |
| Tax on result on ordinary activities | <u><u>(10)</u></u> | <u><u>-</u></u> |

b) Factors affecting the tax charge

| | 2002 £000 | 2001 £000 |
|---|--------------------|-----------------|
| Profit on ordinary activities before tax | <u>1,848</u> | <u>333</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2001:30%) | 554 | 100 |
| Effects of: | | |
| Expenses not deductible for tax purposes and other permanent differences | 99 | 44 |
| Utilisation of tax losses | (653) | (144) |
| Adjustments to tax charge in respect of previous periods | <u>(10)</u> | <u>-</u> |
| Current tax charge for the period (see (a) above) | <u><u>(10)</u></u> | <u><u>-</u></u> |

SOC PRIVATE CAPITAL LIMITED

Notes to the financial statements – 31 March 2002

9. Fixed assets Intangible assets Company and Group

| | Harrison Bros. Underwriting £000 | Morgan Fentiman & Barber £000 | Total £000 |
|--------------------------------------|---|--|---------------|
| Cost: | | | |
| At 1 April 2001 and at 31 March 2002 | 404 | 200 | 604 |
| Amortisation: | | | |
| At 1 April 2001 | 70 | 58 | 128 |
| Charged in the year | 40 | 20 | 60 |
| At 31 March 2002 | 110 | 78 | 188 |
| Net book value at 31 March 2002 | 294 | 122 | 416 |
| Net book value at 31 March 2001 | 334 | 142 | 476 |

In April 1998, the Group paid £200,000 to MFB in respect of Goodwill of its members' agency business. Additionally, in July 2000, the Group paid £404,000 for Harrison Bros. Underwriting Agencies Limited of which £369,300 was in respect of goodwill of the members' agency business and £34,700 related to associated legal costs.

This included the exclusive right for the Group to hold itself out as carrying on the business of members' agent in succession to both companies.

SOC PRIVATE CAPITAL LIMITED

Notes to the financial statements – 31 March 2002

10. Tangible fixed assets Company and Group

| | Office fixtures & equipment £000 | Computer hardware/ software £000 | Total £000 |
|----------------------|---|---|-------------------|
| Cost | | | |
| At 1 April 2001 | 554 | 1,730 | 2,284 |
| Additions | 4 | 8 | 12 |
| Disposals | <u>(137)</u> | <u>(1,138)</u> | <u>(1,275)</u> |
| At 31 March 2002 | 421 | 600 | 1,021 |
| Depreciation: | | | |
| At 1 April 2001 | 195 | 1,612 | 1,807 |
| Provided in the year | 48 | 51 | 99 |
| Disposals | <u>(137)</u> | <u>(1,138)</u> | <u>(1,275)</u> |
| At 31 March 2002 | 106 | 525 | 631 |
| Net book value | | | |
| At 31 March 2002 | 315 | 75 | 390 |
| | <u><u>315</u></u> | <u><u>75</u></u> | <u><u>390</u></u> |
| Net book value | | | |
| At 31 March 2001 | 359 | 118 | 477 |
| | <u><u>359</u></u> | <u><u>118</u></u> | <u><u>477</u></u> |

| | | |
|---------------------------------|--------|--------|
| Principal rates of depreciation | 10-20% | 20-33% |
|---------------------------------|--------|--------|

SOC PRIVATE CAPITAL LIMITED

Notes to the financial statements – 31 March 2002

11. Fixed assets Subsidiary undertakings Company

| | 2002 £000 | 2001 £000 |
|---|--------------|--------------|
| Unlisted shares at cost, less amounts written off | | |
| At 31 March 2001 and 31 March 2002 | 51 | 51 |

The company's subsidiary undertakings at 31 March 2002 were:

| | Country of Registration | Class of share and percentage held |
|--|----------------------------|---|
| Names Taxation Service Limited | England and Wales | 100% of A, B and C voting shares of £1 each |
| SOC Taxation Consultants Limited | England and Wales | 100% of voting shares of £1 each |
| Exford One Limited | England and Wales | 100% of voting and non-voting shares of £1 each |
| SOC Company Secretarial Services Limited | England and Wales | 100% of shares of £1 each |
| Winsford One Limited | England and Wales | 100% of voting and non-voting shares of £1 each |

All the above subsidiaries have not traded during the period with the exception of SOC Taxation Consultants Limited. SOC Taxation Consultants Limited provides a general taxation service and tax service for Names at Lloyd's.

All of the above have been included in the consolidated accounts.

SOC PRIVATE CAPITAL LIMITED

Notes to the financial statements – 31 March 2002

12. Debtors

| | Group | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 2002 £000 | 2001 £000 | 2002 £000 | 2001 £000 |
| Amounts falling due within one year: | | | | |
| Amounts owed by other group undertakings | 4,377 | 2,407 | 4,377 | 2,407 |
| Other debtors | 825 | 792 | 825 | 792 |
| Taxation recoverable | - | 322 | - | 322 |
| Prepayments and accrued income | 85 | 353 | 85 | 353 |
| Amounts falling due after one year: | | | | |
| Other debtors | 331 | 122 | 331 | 122 |
| | <u>5,618</u> | <u>3,996</u> | <u>5,618</u> | <u>3,996</u> |

13. Creditors: amounts falling due within one year

| | Group | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 2002 £000 | 2001 £000 | 2002 £000 | 2001 £000 |
| Amounts owed to subsidiary undertakings | - | - | 51 | 51 |
| Amounts owed to other group undertakings | 873 | 725 | 873 | 725 |
| Other creditors | 959 | 1,661 | 959 | 1,661 |
| Accruals and deferred income | 112 | 208 | 112 | 208 |
| | <u>1,944</u> | <u>2,594</u> | <u>1,995</u> | <u>2,645</u> |

SOC PRIVATE CAPITAL LIMITED

Notes to the financial statements – 31 March 2002

14. Creditors: amounts falling due after more than one year
Company and Group

| | 2002 £000 | 2001 £000 |
|-----------------|-------------------|-------------------|
| Other creditors | 615 | 226 |
| | <u> </u> | <u> </u> |

15. Provisions for liabilities and charges
Company and Group

| | At 01-Apr 2001 £000 | Utilisation and other movements £000 | At 31-Mar 2002 £000 |
|--|------------------------------|---|------------------------------|
| Indemnity and cost arising from arbitration claims (see note 19) | 42 | 35 | 7 |
| | <u> </u> | <u> </u> | <u> </u> |

16. Called up share capital

| | 2002 Number | 2002 £ | 2001 Number | 2001 £ |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Authorised, issued and fully paid: | | | | |
| Voting shares of £1 each | 100 | 100 | 100 | 100 |
| Non-voting shares of £1 each | 499,900 | 499,900 | 499,900 | 499,900 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 500,000 | 500,000 | 500,000 | 500,000 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Voting shareholders have no rights to receive dividends or assets upon the winding up of the company.
Non-voting shareholders have the right to receive dividends and assets upon the winding up of the company.

SOC PRIVATE CAPITAL LIMITED

Notes to the financial statements – 31 March 2002

17. Profit and loss account

| | Group Profit and Loss account £000 | Company Profit and loss account £000 |
|------------------------------|---|---|
| At 1 April 2001 | 1,933 | 1,933 |
| Retained profit for the year | 1,858 | 1,858 |
| | <hr/> | <hr/> |
| At 31 March 2002 | 3,791 | 3,791 |
| | <hr/> | <hr/> |

18. Reconciliation of movements in shareholders' funds

| | 2002 £000 | 2001 £000 |
|-------------------------------|--------------|--------------|
| Profit for the financial year | 1,858 | 333 |
| Opening shareholders' funds | 2,433 | 2,100 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 4,291 | 2,433 |
| | <hr/> | <hr/> |
| Equity shares | 3,791 | 1,933 |
| Non-equity shares | 500 | 500 |
| | <hr/> | <hr/> |
| | 4,291 | 2,433 |
| | <hr/> | <hr/> |

19. Provisions for liabilities and charges

The company has settled claims from two members under the Lloyd's Arbitration Scheme, the aggregate quantum of which is £42,000. £35,000 has been utilised during the year with £7,000 to be paid in future periods.

SOC PRIVATE CAPITAL LIMITED

Notes to the financial statements – 31 March 2002

20. Pensions

The total pension costs for the company during the period was £168,408 (2001: £165,847). Pension costs shown in note 4 are based on an apportionment of the costs incurred by the group in respect of the group personal pension scheme and the defined benefit scheme.

The pension costs of the Group arise from the following scheme.

The company participates in a group personal pension scheme operated by SOC Group plc. The assets of the scheme are held separately from those of the company in independently administered funds. The unpaid contributions outstanding at the year end, included in 'Other creditors' (note 13), are £36,107 (2001 - £nil).

21. Particulars of transactions involving directors and others

All the directors, except Messrs Pinchin and Fairs, underwrote at Lloyd's through the company and did so on the same terms and conditions as other Names for whom the company acts. Lord Romsey underwrote through a corporate member Romsey Underwriting Limited. Messrs Annandale Bird, Hudson, Maidens and Riddell underwrote through a corporate member GL Underwriting Limited. The fees payable to the company in respect of their underwriting were:

| | 2002 £000 | 2001 £000 |
|-------------------------|--------------|--------------|
| Mr M W Payne | 12 | 13 |
| Mr J S Barber | 8 | 8 |
| Mr G B Hudson | - | 1 |
| Mr D B K Harrison | 5 | 5 |
| Mr D Monksfield | 5 | 1 |
| Mr A W Tucker | 1 | - |
| G L Underwriting Ltd | 7 | 8 |
| Romsey Underwriting Ltd | 25 | 28 |

22. Related parties

The company has taken advantage of the 90% exemption rule under FRS8 and not disclosed transactions between group companies.

Mr. J S Barber is also a partner of Morgan, Fentiman and Barber (MFB). In April 1998, the Group paid £200,000 to MFB in respect of Goodwill of its members' agency business. This included the exclusive right for the Group to hold itself out as carrying the business of members' agent in succession to MFB.

On the same date MFB delegated to the Group the administration of the services to be provided by MFB to MFB Names under the Members' Agent's Agreements. For this, the Group charged MFB in the period £27,500 (2000: £47,500) for this service.

23. Parent undertaking

The company's parent undertaking and ultimate parent company is SOC Group plc, a company registered in England and Wales. Copies of its consolidated financial statements can be obtained from the Company Secretary, 122 Leadenhall Street, London EC3V 4SJ.