

ALIT (No 5) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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COMPANIES HOUSE

Registered Number 2859409

Registered office Plantation Place, 30 Fenchurch Street, London EC3M 3AD

ALIT (No. 5) LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of ALIT (No. 5) Limited (the Company) for the year ended 31 December 2010

Principal activity, review of the business and future developments

The Company is a corporate member of the Society of Lloyd's. The Company is a corporate vehicle which was formed solely to underwrite on Lloyd's syndicates from the commencement of the 1994 underwriting year.

During 1998 the directors decided to discontinue the Company's underwriting in Lloyd's and disposed of the Company's interest in the capacity of the above syndicates to another Chaucer group company, ALIT (No. 1) Limited. Subsequently, in 2007, all underwriting was undertaken by Chaucer Corporate Capital 2 Limited.

Throughout the year the Company had no open syndicate participations.

Results and dividends

The result after taxation attributable to shareholders was £nil (2009 £52,495). The Directors do not recommend the payment of a final dividend for 2010 (2009 £nil). The Company did not pay an interim dividend in 2010 (2009 £nil).

Directors and their interests

The Directors, as set out below, held office throughout the year ended 31 December 2010, unless otherwise stated. No director had any interest in the voting share capital of the Company at any time during the year.

M C Camillo
K D Curtis
D J Willis (Appointed 28 January 2010)

Company Secretary

A J Goodenough

Registered Office

Plantation Place
30 Fenchurch Street
London EC3M 3AD

Registered number

2859409

Ultimate parent company

As at 31 December 2010 the Company's ultimate parent was Chaucer Holdings PLC. On 1 July 2011 The Hannover Insurance Group, Inc became the ultimate parent of the Company following completion of its acquisition of 100% of Chaucer Holdings PLC through Tessera Limited, its wholly owned subsidiary.

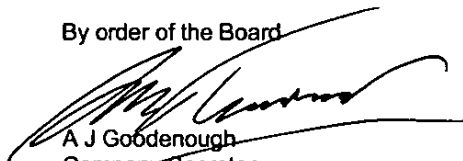
Going concern basis

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

Directors' Indemnity

Chaucer Holdings PLC has continued to maintain a Directors & Officers insurance policy for all group companies, which was in place throughout the year ended 31 December 2010. During the year and up to, and including the date of approval of this report, the Company's articles provided a qualifying third party indemnity to the Company's directors and officers.

By order of the Board



A J Goodenough
Company Secretary
14 July 2011

ALIT (No 5) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Under Company law, the Directors

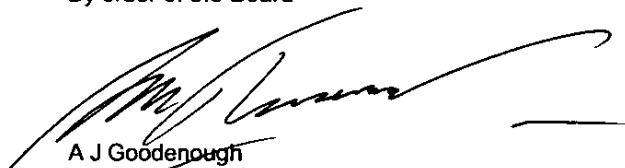
- Are required to prepare financial statements for each financial year in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), and
- Must not approve these financial statements unless they are satisfied that they give a true and fair view of the state 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 apply them consistently,
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, and
- Make judgements and estimates that are reasonable and prudent

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.

By order of the Board



A J Goodenough
Company Secretary
14 July 2011

ALIT (No 5) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

Registered Number: 2859409

	Notes	2010 £	2009 £
(Loss)/profit on ordinary activities before taxation		-	-
Tax credit on (loss)/profit from ordinary activities	2	-	52,495
(Loss)/profit for the year and retained (loss)/profit for the year	4	-	52,495

All operations of the company are discontinued

There were no recognised gains or losses for the current or preceding years other than those included in the profit and loss account above, therefore, no separate statement of total recognised gains and losses has been presented

BALANCE SHEET AS AT 31 DECEMBER 2010

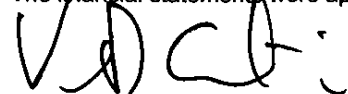
		2010			2009		
	Notes	Corporate Undertaking £	Syndicate Participation £	Total £	Corporate Undertaking £	Syndicate Participation £	Total £
Debtors							
Amount due from group undertakings		230 818	-	230,818	230,818	-	230,818
Total Assets		230,818	-	230,818	230 818	-	230 818
Capital and Reserves							
Called up share capital	3	2	-	2	2	-	2
Profit and loss account	4	213,533	-	213,533	213 533	-	213 533
Equity shareholders' funds	4	213,535	-	213 535	213,535	-	213,535
Creditors							
Other creditors including taxation		-	-	-	6,965	-	6,965
Amount due to group undertakings		17 283	-	17 283	10,318	-	10,318
Total assets less current liabilities		17,283	-	17,283	17 283	-	17 283
Total Liabilities		230,818	-	230,818	230 818	-	230,818

For the year ended 31 December 2010 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

The members have not required the Company to obtain an audit of its accounts for the financial year in question, in accordance with section 476 of the Companies' Act 2006

The Directors' acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements were approved by the Board of Directors on 14 July 2011 and were signed on its behalf by



K D Curtis
Director

ALIT (No 5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2010

1 Principal accounting policies

a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

b) Cash flow statement and related party disclosures

The Company is a wholly-owned by a member of Chaucer Holdings PLC group and is included in the consolidated financial statements of Chaucer Holdings PLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996)

The Company is also exempt under the terms of FRS 8 from disclosing related-party transactions with entities that are part of the Chaucer Holdings PLC group or investees of the Chaucer Holdings PLC group

2 Taxation

Analysis of tax charge in year

	2010 £	2009 £
Adjustment in respect of previous periods	-	52,495
Current tax charge	-	52,495
Tax credit on profit on ordinary activities	-	52,495
Other factors affecting the tax charge for the current year		

The tax assessed for the year differs from that resulting from applying the standard rate of corporation tax in the UK 28% (2009 28%). The differences are explained below

	2010 £	2009 £
Effects of		
Prior year group relief surrendered for no consideration	-	52,495
Current year tax charge	-	52,495

Legislation was introduced in Finance (No 2) Act 2010 to reduce the main rate of corporation tax from 28% to 27% with effect from 1 April 2011. The effect of this reduction is reflected above and in the deferred tax asset recorded on the Balance Sheet. Any proposed changes that have not been substantively enacted at the balance sheet date are not reflected in the Financial Statements.

In addition, the UK Government announced in the budget of 23 March 2011 its intent to legislate to reduce the rate in effect from 1 April 2011 by a further 1% to 26%. This was substantively enacted on 29 March 2011 but is not reflected on the balance sheet as it was not substantively enacted as at December 2010. The Directors estimate that there will be no impact on the deferred tax balance.

The Government also announced it intends to legislate further reductions of 1% per annum down to 23% with effect from April 2014.

ALIT (No 5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2010

3 Called up share capital

	2010	2009
	£	£
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

4 Reconciliation of movement in reserves and shareholders' funds

	Share capital	Profit and loss account	Total
	£	£	£
Balance at 1 January and at 31 December 2010	2	213,533	213,535

5 Ultimate parent company

The immediate and ultimate parent company, controlling party and only group entity that prepares consolidated financial statements is Chaucer Holdings PLC, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of Chaucer Holdings PLC can be obtained from the registered office at Plantation Place, 30 Fenchurch Street, London, EC3M 3AD.

As disclosed in note 6 on subsequent events, the Company's ultimate parent company changed to The Hanover Insurance Group, Inc. in the period between the balance sheet date and the date the financial statements were signed.

6 Subsequent event

On 1 July 2011 The Hanover Insurance Group, Inc. became the ultimate parent of the Company following completion of its acquisition of 100% of Chaucer Holdings PLC through 440 Tessera Limited, its wholly owned subsidiary.