

ALIT (No 5) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011



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 2011

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. Throughout the year the Company had no open syndicate participations.

Results and dividends

The result after taxation attributable to shareholder was £nil (2010 £nil). The Directors do not recommend the payment of a final dividend for 2011 (2010 £nil). The Company did not pay an interim dividend in 2011 (2010 £nil).

Principal risks and uncertainties

Credit risk

The Company's assets consist mainly of intra-group debtors. The recoverability of these balances is assessed each year as part of a group wide exercise.

Directors and their interests

The Directors, as set out below, held office throughout the year ended 31 December 2011, 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

Company secretary

A J Goodenough

Registered office

Plantation Place
30 Fenchurch Street
London EC3M 3AD

Registered number

02859409

Ultimate parent company

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's issued share capital through 440 Tessera Limited (subsequently renamed The Hanover Insurance International Holdings Limited on 17 April 2012), 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, an intermediate parent company has continued to maintain a Directors & Officers insurance policy for all Chaucer group companies, which was in place throughout the year ended 31 December 2011. 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
21 August 2012

ALIT (No. 5) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

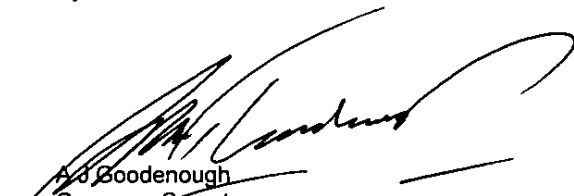
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 accounting 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,
- 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board



A.J. Goodenough
Company Secretary
21 August 2012

ALIT (No. 5) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011****Registered Number: 02859409**

The Company did not trade during the current or previous financial years and has made neither profit nor loss or any other recognised gain or loss and therefore, no separate Profit and Loss Account, or Statement of Total Recognised Gains and Losses has been presented

BALANCE SHEET AS AT 31 DECEMBER 2011

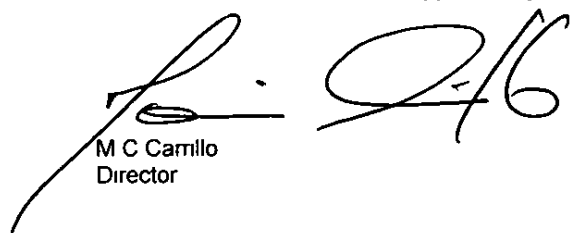
	Notes	2011 £	2010 £
Current assets			
Amounts due from group undertakings		<u>230,818</u>	<u>230,818</u>
Total assets		<u>230,818</u>	<u>230,818</u>
Capital and reserves			
Called up share capital	2	2	2
Profit and loss account	3	<u>213,533</u>	<u>213,533</u>
Equity shareholder's funds and total liabilities	3	<u>213,535</u>	<u>213,535</u>
Creditors			
Amount due to group undertaking		17,283	17,283
Total liabilities		<u>230,818</u>	<u>230,818</u>

For the year ended 31 December 2011 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 21 August 2012 and were signed on its behalf by



M C Carrillo
Director

ALIT (No. 5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2011

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 wholly-owned by a member of The Hanover Insurance Group, Inc (THG) a company incorporated in the United States of America and is included in the consolidated financial statements of THG, 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, or investees of, The Hanover Insurance Group, Inc

2 Called up share capital

	2011 £	2010 £
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

3 Reconciliation of movement in reserves and shareholders' funds

	Share capital £	Profit and loss account £	Total £
Balance at 1 January and at 31 December 2011	2	213,533	213,535

4 Ultimate parent company

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's issued share capital through 440 Tessera Limited (subsequently renamed The Hanover Insurance International Holdings Limited on 17 April 2012), its wholly owned subsidiary

A copy of the annual report for The Hanover Insurance Group, Inc can be obtained from their website at www.hanover.com