



FUIT FOUR LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2009

THURSDAY



A8T4MLBX

A36 01/07/2010 392

COMPANIES HOUSE

Contents

Page

2	Company Information
3	Report of the Directors
5	Independent Auditor's Report
7	Technical Account – General Business
8	Non-Technical Account
9	Balance Sheet
11	Notes to the Financial Statements

FUIT FOUR LIMITED

Company Information

Directors

D J Douetil
P J Goddard
M Scales

Secretary

Brit Corporate Secretaries Limited

Registered Office

55 Bishopsgate
London
EC2N 3AS

Registered Number

2861336

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

FUIT FOUR LIMITED

Report of the Directors

The Directors present their annual report, together with the audited financial statements of the Company for the year ended 31 December 2009.

Fuit Four Limited

Registered number 2861336

Review of the business

The Company ceased underwriting at the end of the 1999 year of account.

The 1999 Underwriting Year of Account closed on 31 December 2001 with Syndicates 1101 and 991 remaining open on the 1997 and 1998 years of account respectively. These years of account have now closed on 31 December 2009. The Company has made an underwriting loss of £53,000 (2008: profit of £117,000) before agents' expenses and tax.

The Company's underwriting activities are supported by standalone funds at Lloyd's, as set out in note 17. The Directors have prepared the financial statements on the going concern basis having taken into account all information that could reasonably be expected to be available. In doing so, they have assumed that the Company's open year underwriting results meet with the current forecasts and that the standalone funds can be called down upon if required. The financial statements, therefore, do not include any adjustments that would result if the underwriting results do not meet expectations and the standalone funds do not respond.

On 10 November 2009, as part of a reorganisation of the UK Group, the Company was sold by Finsbury Underwriting Limited to Brit Run-Off Services Limited.

As a result of a Group reorganisation by way of a Court Approved Scheme of Arrangement approved by the shareholders of Brit Insurance Holdings PLC, which completed on 21 December 2009, Brit Insurance Holdings N.V., is now the ultimate parent of the Company.

In the opinion of the Directors, the state of affairs of the Company at the end of the year was satisfactory. The Directors do not envisage any changes to the current business model in 2010.

Result and dividend

The Company made a loss for the year of £89,000 (2008: profit of £105,000).

The Directors do not recommend the payment of a dividend for the year ended 31 December 2009 (2008: £ nil).

Directors

The names of the Directors as at the date of this report are listed on page 2.

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 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.

FUIT FOUR LIMITED

Report of the Directors continued

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

Statement of Disclosure of Information to Auditors

The Company's Auditor is Ernst & Young LLP. Each person who is a Director at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are unaware, and
- 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 Company's Auditors are aware of that information.

By Order of the Board



For and on Behalf of
Brit Corporate Secretaries Limited
Secretary
17 June 2010

FUIT FOUR LIMITED

Independent Auditor's Report To the Member of FUIT Four Limited

We have audited the financial statements of FUIT Four Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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 auditors' 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 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 (APB'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 2009 and of its loss 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.

FUIT FOUR LIMITED

Independent Auditor's Report continued

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



Tim Leggett (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

22 June 2010

FUIT FOUR LIMITED

Technical Account – General Business For the Year Ended 31 December 2009

	Note	Year ended 31 December 2009		Year ended 31 December 2008	
		£'000	£'000	£'000	£'000
Earned premiums, net of reinsurance:					
Gross premiums written	3	15		8	
Outward reinsurance premiums		4		(7)	
Net premiums written			19		1
Allocated investment return transferred from the non-technical account			6		26
Claims paid:					
Gross amount	3	(167)		(200)	
Reinsurers' share		108		90	
		(59)		(110)	
Change in the provisions for claims:					
Gross amount	3	188		198	
Reinsurers' share		(161)		(98)	
		27		100	
Claims incurred, net of reinsurance	4		(32)		(10)
Net operating expenses	5		(46)		100
Balance transferred to the non-technical account			(53)		117

FUIT FOUR LIMITED

Non Technical Account For the Year Ended 31 December 2009

		Year ended 31 December 2009	Year ended 31 December 2008
	Note	£'000	£'000
Balance on the general business technical account		(53)	117
Investment income		8	21
Realised gains on investments		1	6
Unrealised losses on investments		(3)	(1)
Allocated investment return transferred to the general business technical account		(6)	(26)
Other charges, including value adjustments	6	(5)	(5)
Interest payable and similar charges	7	-	(2)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before tax		(58)	110
Tax on (loss)/profit on ordinary activities	8	(31)	(5)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after tax		(89)	105
		<hr/>	<hr/>
Retained (loss)/profit for the financial period		(89)	105
		<hr/>	<hr/>

The Company's income and expenses all relate to discontinued operations

FUIT FOUR LIMITED

Balance Sheet As at 31 December 2009

		As at 31 December 2009			As at 31 December 2008		
	Note	Corporate £'000	Syndicate £'000	Total £'000	Corporate £'000	Syndicate £'000	Total £'000
Fixed Asset Investments:							
Financial Investments	9	-	433	433	-	447	447
Reinsurers' Share of Technical Provisions:							
Claims outstanding		-	(19)	(19)	-	150	150
Debtors:							
Arising out of direct insurance operations		-	73	73	-	147	147
Arising out of reinsurance operations		-	28	28	-	81	81
Other	10	312	10	322	365	10	375
		312	111	423	365	238	603
Other Assets:							
Cash at bank and in hand		-	258	258	-	242	242
Other		-	-	-	-	23	23
		-	258	258	-	265	265
Total Assets		312	783	1,095	365	1,100	1,465

FUIT FOUR LIMITED

Balance Sheet continued

		As at 31 December 2009			As at 31 December 2008		
	Note	Corporate £'000	Syndicate £'000	Total £'000	Corporate £'000	Syndicate £'000	Total £'000
Capital and Reserves:							
Called up share capital	12	-	-	-	-	-	-
Revenue reserve	13	235	-	235	324	-	324
<hr/>							
Equity Shareholder's Funds	14	235	-	235	324	-	324
<hr/>							
Technical Provisions:							
Claims outstanding - gross		-	446	446	-	681	681
<hr/>							
Creditors:							
Arising from direct insurance operations		-	2	2	-	31	31
Arising from reinsurance operations		-	10	10	-	15	15
Amount due to corporate member		-	319	319	-	371	371
Other creditors	11	77	-	77	41	-	41
<hr/>							
		77	331	408	41	417	458
<hr/>							
Accruals and Deferred Income		-	6	6	-	2	2
<hr/>							
Total Liabilities		312	783	1,095	365	1,100	1,465
<hr/>							

The financial statements on pages 7 to 19 were approved by the Board of Directors on 17 June 2010 and were signed on its behalf by

Peter Goddard
Director



Matthew Scales
Director



FUIT FOUR LIMITED

Notes to the Financial Statements For the year ended 31 December 2009

1. Basis of preparation of financial statements

(a) Basis of preparation

The financial statements have been prepared in accordance with section 6 of, and Schedule 3 to, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 pursuant to section 396 of the Companies Act 2006. The recommendations of the Statements of Recommended Practice on Accounting for Insurance Businesses issued by the Association of British Insurers in December 2005 as amended in December 2006 (the "ABI SORP") have been adopted, except that exchange differences arising from underwriting activities are dealt with in the technical account to be consistent with the treatment in the underlying syndicate accounts.

(b) 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 each syndicate ('the Returns'). These Returns have been subject to audit by the syndicate Auditor 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.

2. Accounting policies

(a) Underwriting activities

The results for all classes of business have been determined on an annual basis whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premium, net of reinsurance as follows:

(i) Premiums

Premiums written relate to business inception during the year, together with any differences between booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified, less an allowance for cancellations. Premiums are accreted to the income statement on a pro rata basis over the term of the related policy, except for those contracts where the period of risk differs significantly from the contract period. In these circumstances, premiums are recognised over the period of risk in proportion to the amount of insurance protection provided. Reinstatement premiums are accreted to the income statement on a pro rata basis over the term of the original policy to which it relates

Premiums are shown net of premium taxes and other levies on premiums.

(ii) Deferred acquisition costs

Commission and other acquisition costs incurred during the financial period that vary with and are related to securing new insurance contracts and/or renewing existing insurance contracts, but which relate to subsequent financial periods, are deferred to the extent that they are recoverable out of future revenue margins. Deferred acquisition costs are capitalised and amortised on a straight line basis over the life of the contract

(iii) Claims incurred

Claims incurred comprise claims and claims handling costs paid in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported ("IBNR") and related expenses, together with any adjustments to claims from prior years. Claims handling costs are mainly those external costs related to the negotiation and settlement of claims

FUIT FOUR LIMITED

Notes to the Financial Statements continued

2. Accounting policies - continued

(iv) Outstanding claims provisions

Claims outstanding represent the estimated ultimate cost of settling all claims (including direct and indirect claims settlement costs) arising from events which have occurred up to the balance sheet date, including provision for claims incurred but not reported, less any amounts paid in respect of those claims. The Company does not discount its liabilities for unpaid claims the ultimate cost of which cannot be known with certainty at the balance sheet date.

(v) Provision for unearned premiums

The proportion of written premiums that relate to unexpired terms of policies in force at the balance sheet date is deferred as a provision for unearned premiums, generally calculated on a time apportioned basis. The movement in the provision is taken to the income statement in order that revenue is recognised over the period of the risk.

(vi) Syndicate balance sheet

For each syndicate on which the Company participates, the Company's proportion of the syndicate's assets and liabilities has been reflected in its Balance Sheet (included in the column headed 'Syndicate'). Syndicate assets are held subject to trust deeds for the benefit of the Syndicates' insurance creditors.

(b) Investments

Investments are treated as sold and repurchased at each 31 December in recognition of the annual venture nature of participation on a syndicate. Their cost is therefore their market value at that date.

(c) Investment income

Investment income comprises interest receivable and dividends received plus realised gains on the disposal of investments. Realised gains and losses arise from the difference between proceeds and cost.

The realised gains reported by Syndicates are net of any realised losses.

All investment income net of realised losses arising on syndicate participations is allocated to the technical account. Other investment income is attributable to the non-technical account.

(d) Investment expenses and charges

Investment expenses and charges comprise investment management expenses.

(e) Net operating expenses

Operating expenses have been charged to the underwriting year for which they were incurred. These include the Company's share of syndicate operating expenses, the remuneration payable to Managing Agents, the Company's Members' Agent and the direct costs of membership of Lloyd's.

(f) Foreign currencies

Transactions in foreign currencies other than Sterling, United States dollars, Canadian dollars and Euros are translated at the rate of exchange ruling at the date the transaction is processed. Unless otherwise stated, transactions in United States dollars, Canadian dollars and Euros are translated at the average rates of exchange for the period. Monetary assets and liabilities in currencies other than Sterling are translated at the rate of exchange ruling at 31 December of each year. Unearned premiums and deferred acquisition costs are non-monetary assets and liabilities and accordingly are not retranslated from the historic rates. Exchange profits or losses arising on the translation of foreign currency amounts relating to underwriting activities are included within net operating expenses in the technical account.

FUIT FOUR LIMITED

Notes to the Financial Statements continued

2. Accounting policies - continued

(g) Syndicate participation rights

Where the Company has purchased the right to participate on syndicates, the cost is capitalised and amortised in equal annual instalments over 3 years. Amortisation commences at the end of the third year from the start of the Company's first underwriting year on the syndicate

If, at any time, the Directors become aware of a permanent diminution in the value of the Company's right to participate on a syndicate, the asset will be written down accordingly. If a syndicate right is sold then any related costs are offset against the disposal proceeds and any gain/loss is taken to the non-technical profit and loss account, in the same period

(h) Taxation

The Company is taxed on its share of the underwriting results declared by syndicates and for tax purposes these are deemed to accrue evenly over the calendar year in which they are declared. The syndicate results included in these financial statements (excluding any additional provisions made by Directors) relate to the 1999 Year of Account and are declared for tax purposes in the calendar year 2002.

HM Revenue & Customs determines the taxable results of individual syndicates on the basis of computations submitted by the Managing Agent. At the date of approval of these financial statements, none of the syndicate taxable results have been agreed. Any adjustments that may be necessary to the tax provisions established by the Company as a result of HM Revenue & Customs' agreement of the taxable results of individual syndicates will be reflected in the financial statements of subsequent periods

Other profits are recognised and assessable to corporation tax in the same period, after adjustment in accordance with tax legislation

(i) 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 periods different from those in which they are included in financial statements. 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.

(j) Cash flow statement

The Company is exempt from preparing a cash flow statement under FRS 1. Brit Insurance Holdings N V., the ultimate parent company, prepares a consolidated cash flow statement

FUIT FOUR LIMITED

Notes to the Financial Statements continued

3. Segmental Information

Year ended 31 December 2009					
	Gross Premiums Written £'000	Gross Claims Incurred £'000	Gross Operating Expenses* £'000	Reinsurance Balance £'000	Total £'000
Direct Business:					
Accident & Health	10	(4)	(18)	-	(12)
Motor - third party liability	-	-	-	-	-
Fire and other Damage to Property	-	1	(1)	(1)	(1)
Third Party Liability	-	(8)	(15)	(10)	(33)
Credit and Suretyship	-	1	(2)	(2)	(3)
Legal Expenses	-	1	-	(2)	(1)
Other	-	-	(1)	-	(1)
	10	(9)	(37)	(15)	(51)
Reinsurances Acceptances	5	30	(9)	(34)	(8)
	15	21	(46)	(49)	(59)

Year ended 31 December 2008					
	Gross Premiums Written £'000	Gross Claims Incurred £'000	Net Operating Expenses* £'000	Reinsurance Balance £'000	Total £'000
Direct Business:					
Accident & Health	3	(23)	37	(8)	9
Motor – third party liability	-	(2)	-	-	(2)
Fire and other Damage to Property	-	(1)	2	-	1
Third Party Liability	3	27	34	(15)	49
Credit and Suretyship	1	(5)	3	-	(1)
Legal Expenses	-	-	-	-	-
Other	-	-	3	-	3
	7	(4)	79	(23)	59
Reinsurances Acceptances	1	2	21	8	32
	8	(2)	100	(15)	91

* Gross operating expenses are equal to the net operating expenses shown in the Profit and the Loss Account as no commission in respect of outward reinsurance has been received and set off in arriving at net operating expenses.

FUIT FOUR LIMITED

Notes to the Financial Statements continued

3. Segmental Information - continued

The segmental split shown below is based on the location of the underlying risk insured

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Gross premiums in respect of direct business written in		
United Kingdom	15	3
Other	-	5
	<u>15</u>	<u>8</u>

4. Claims Incurred, Net of Reinsurance

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Gross		
1997 Year of Account	(12)	26
1998 Year of Account	33	(28)
	<u>21</u>	<u>(2)</u>
Reinsurance		
1997 Year of Account	23	(17)
1998 Year of Account	(76)	9
	<u>(53)</u>	<u>(8)</u>
Net claims incurred	<u>(32)</u>	<u>(10)</u>

5. Net Operating Expenses

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Acquisition costs	4	-
Administrative expenses	5	4
Loss/(profit) on exchange	37	(104)
	<u>46</u>	<u>(100)</u>

FUIT FOUR LIMITED

Notes to the Financial Statements continued

6. Other charges

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Other	5	5

Audit fees for the Company have been borne by Brit Insurance Holdings Limited, a group company and amounted to £1,000.

7. Interest payable and similar charges

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Intragroup charge	-	2

8. Taxation

(i) Analysis of tax charge in year

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Current taxation.		
UK Corporation tax on (loss)/profit of the year	31	5
Adjustment in respect of previous years	-	-
Tax charge on profit on ordinary activities	31	5
Deferred taxation		
Origination and reversal of timing differences	(33)	-
Adjustment in respect of previous years	33	-
	-	-
	31	5

FUIT FOUR LIMITED

Notes to the Financial Statements continued

8. Taxation - continued

(ii) Factors affecting tax charge for year

	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
(Loss)/profit on ordinary activities before tax	(89)	110
(Loss)/profit on ordinary activities multiplied by standard rate of tax in the UK of 28.0% (2008 28.5%)	(25)	31
Short term timing differences:		
Syndicate results	56	(26)
Current tax charge for the year per (i) above	31	5

9. Financial investments

	31 December 2009 £'000	31 December 2008 £'000
Shares and other variable yield securities	20	16
Debt securities and other fixed interest securities	219	261
Participation in investment pools	188	165
Deposits with credit institutions	6	5
	433	447

10. Other debtors

	31 December 2009 £'000	31 December 2008 £'000
Amounts due in respect of syndicate profits	312	365
Share of Syndicate's other debtor balances	10	10
	322	375

11. Other creditors

	31 December 2009 £'000	31 December 2008 £'000
Amounts due to Group undertakings	77	41

FUIT FOUR LIMITED

Notes to the Financial Statements continued

12. Share capital

	31 December 2009	31 December 2008
	£	£
Allotted, issued and fully paid: 2 ordinary shares of £1	<u>2</u>	<u>2</u>

13. Revenue reserve

	31 December 2009	31 December 2008
	£'000	£'000
Balance as at 1 January	324	219
(Loss)/profit retained for the financial period	(89)	105
Balance as at 31 December	<u>235</u>	<u>324</u>

14. Movement in Shareholder's funds

	31 December 2009	31 December 2008
	£'000	£'000
Opening Shareholder's funds	324	219
Total recognised (losses)/gains for the financial period	(89)	105
Closing Shareholder's funds	<u>235</u>	<u>324</u>

15. Related party transactions

As a subsidiary undertaking of Brit Insurance Holdings N V , the Company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the Group

16. Financial instruments

The Company has not made disclosures in accordance with Financial Reporting Standard 29 'Financial Instruments Disclosures' as it is not exposed to risks arising from financial instruments

17. Guarantees

Lloyd's

If any of the other corporate member subsidiaries of the Brit Insurance Holdings Limited Subgroup ("the Subgroup") fail to meet any of their obligations, then

- (a) Lloyd's will be entitled to require any of the Subgroup's corporate member subsidiaries to cease or reduce their underwriting, and/or

FUIT FOUR LIMITED

Notes to the Financial Statements continued

17. Guarantees continued

- (b) having regard to the fact that the Central Fund may be applied to discharge the obligations of the defaulting corporate member subsidiary, Lloyd's will be entitled to require each of the other corporate member subsidiaries of the Subgroup to make contributions to the Central Fund up to the amount of their respective net profits held from time to time in Premiums Trust Funds, sufficient to reimburse the Central Fund in full for any payment made on behalf of the defaulting member

At the date of these financial statements the Company is not aware of any of the other corporate member subsidiaries of the Subgroup failing to meet any of their Lloyd's obligations.

Investments and assets supporting the underwriting at Lloyd's are held in Masthead Insurance Underwriting Limited ("Masthead"), a fellow Group subsidiary. Masthead provides standalone Funds at Lloyd's for the Company. As at 31 December 2009 this amounted to £48,130 (2008: £48,130)

18. Ultimate holding company

The Company is a wholly owned subsidiary of Brit Run-Off Services Limited. The ultimate holding company is Brit Insurance Holdings N.V., a company registered in the Netherlands. Copies of Brit Insurance Holdings N.V. accounts can be obtained by writing to PO Box 79083, 1070 NC, Amsterdam, The Netherlands.