



FUIT TWO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2009



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FUIT TWO 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

2861345

Auditor

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

FUIT TWO 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.

Review of the business

The Company ceased underwriting at the end of the 1999 year of account which closed on 31 December 2001.

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 did not trade during the year

The Directors do not recommend payment of any 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.

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

FUIT TWO LIMITED

Report of the Directors continued

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



Brit Corporate Secretaries Limited
Secretary
9 March 2010

FUIT TWO LIMITED

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

We have audited the financial statements of FUIT Two Limited for the year ended 31 December 2009 which comprise the Balance Sheet and the related notes 1 to 11. 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,
- 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.

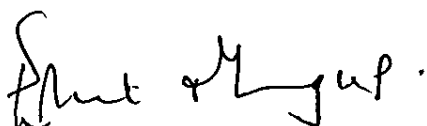
FUIT TWO LIMITED

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
9 March 2010

FUIT TWO LIMITED

Balance Sheet As at 31 December 2009

		As at 31 December 2009	As at 31 December 2008
	Note	£'000	£'000
Debtors:			
Other	4	3	3
		<hr/>	<hr/>
Total Assets		3	3
		<hr/>	<hr/>
Capital and Reserves:			
Called up share capital	5	-	-
Profit and loss account	6	3	3
		<hr/>	<hr/>
Equity Shareholder's Funds	7	3	3
		<hr/>	<hr/>
		<hr/>	<hr/>
Total Liabilities		3	3
		<hr/>	<hr/>

The financial statements on pages 7 to 9 were approved by the Board of Directors on 9 March 2010 and were signed on its behalf by:

Director



Director



FUIT TWO 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.

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards

2. Accounting policies

(a) 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

3. Auditors' Remuneration

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

4. Debtors

	31 December 2009 £'000	31 December 2008 £'000
Amounts due from Group undertakings	3	3

5. Share capital

	31 December 2009 £	31 December 2008 £
Allotted, issued and fully paid. 2 ordinary shares of £1	2	2

6. Profit and loss account

	31 December 2009 £'000	31 December 2008 £'000
Balance as at 1 January	3	3
Profit retained for the financial period	-	-
Balance as at 31 December	3	3

FUIT TWO LIMITED

Notes to the Financial Statements continued

7. Movement in shareholder's funds

	31 December 2009 £'000	31 December 2008 £'000
Opening shareholder's funds	3	3
Total recognised gains for the financial period	-	-
Closing shareholder's funds	<u>3</u>	<u>3</u>

8. 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.

9. 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

10. Guarantees

(i) 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
- (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

11. 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.