

ICP GENERAL PARTNER LIMITED

Report and Financial Statements

ICP General Partner Limited

Registered Number: 2948671

31 December 2011

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COMPANY INFORMATION

The Board of Directors	RFM Adair Sir Nicholas Bacon JRV Brandon CAA Harbord-Hamond RCW Odey Lord Marland of Odstock
Company Secretary	AS Fox
Registered Office	Unit C25, Jack's Place 6 Corbet Place London E1 6NN
Auditors	Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
Registered number	2948671

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ICP GENERAL PARTNER LIMITED

Report of the Directors

The directors present their report and financial statements for the year ended 31 December 2011

Review of the Business and Future Developments

ICP General Partner Limited provides management services to Insurance Capital Partners LP ("ICP LP"), to ICP Capital Limited, a corporate member of Lloyd's and to five other corporate members

The profit before tax was £2,014,720 (2010 - £1,590,163) The increase was due to additional performance fees from the 2009 year of account

The exposure of ICP LP to the Lloyd's underwriting market and the gross returns have been as follows -

Year of Account	Capacity £m	Gross Return %
2006	75	25
2007	101	18
2008	77	8
2009	78	17
2010	95	*
2011	96	*
2012	101	*

*The 2010 year of account may produce a loss before expenses of 2% to 7% The 2011 and 2012 years of account are too early in their development to predict their outcome

ICP LP's exposure to the Lloyd's underwriting market has been mainly through ICP Capital Ltd in all years It has also participated through Castell Underwriting Ltd, Rudyco Ltd and Blair Underwriting Ltd for 2007, MAP Capital Ltd from 2007 onwards, Jubilee Motor Policies Ltd for 2008 and 2009, Cassidy Capital Ltd for 2010, Nameco (No 921) Ltd for 2009 and David Scott Underwriting Ltd for 2011

Looking ahead to 2013 our involvement depends on the underwriting cycle as it develops in response to losses The amount which ICP LP will underwrite will reflect the market cycle If it begins to turn down in any significant fashion then ICP LP will seek to reduce its exposure once more There remains interest from new investors in ICP LP and if the market needs additional capital then ICP LP should be in a reasonable position to provide it

Principal Risks

The agency's principal risk is that losses in the Lloyd's market, in particular on those syndicates supported by the company through ICP Capital Limited and other entities, could reduce the amount of capital provided thereby reducing the income receivable by the company

The specific risks faced by syndicates are managed and controlled by the respective managing agents and are outside the direct control of the company The company manages the risk faced by syndicates by monitoring the performance of the syndicates supported through analysis

The company has no specific concentration of credit risk As a members' agent it is subject to continuing approval by Lloyd's and the FSA It maintains systems and controls to ensure operational risks are minimised

Results and Dividends

The state of the company's affairs as at 31 December 2011 is shown in the financial statements The company paid dividends of £450,000 on 7 April 2011 and £800,000 on 7 December 2011

ICP GENERAL PARTNER LIMITED

Report of the Directors (continued)

Directors

The following served as directors from 1 January 2011 to the date of this report

RFM Adair
Sir Nicholas Bacon (appointed 30 March 2011)
JRV Brandon
CAA Harbord-Hamond
RCW Odey
Lord Marland

Statement of disclosure of information to auditors

The Directors who held office at this date of approval of this Report of the Directors confirm that, so far as they are individually aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all 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

Auditors

Littlejohn LLP have expressed their willingness to continue in office

By ORDER OF THE BOARD

J. R. V. Brandon

JRV Brandon
Director
Unit C25, Jack's Place
6 Corbet Place
London E1 6NN

25 April 2012

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 they 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 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, and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

Independent auditors' report to the shareholders of ICP General Partner Limited

We have audited the Financial Statements of ICP General Partner Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders 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, 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 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

In our opinion the Financial Statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit 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.

ICP GENERAL PARTNER LIMITED

Independent auditors' report to the shareholders of ICP General Partner Limited (continued)**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the above matters

NA Coulson

Neil Coulson (Senior statutory auditor)
For and on behalf of Littlejohn LLP
Statutory auditor
1 Westferry Circus, Canary Wharf
London, E14 4HD

25 April 2012

ICP GENERAL PARTNER LIMITED

Profit and Loss Account for the year ended 31 December 2011

	Notes	2011 £	2010 £
Turnover	2	2,655,101	2,255,075
Administration expenses		(640,381)	(664,919)
Operating profit	3	<u>2,014,720</u>	<u>1,590,156</u>
Other interest receivable and similar income		-	7
Profit on ordinary activities before taxation		<u>2,014,720</u>	<u>1,590,163</u>
Taxation on profit on ordinary activities	6	(524,770)	(452,707)
Retained profit for the period	13	<u>1,489,950</u>	<u>1,137,456</u>

There are no recognised gains or losses in the period other than those included in the profit and loss account, and therefore no statement of total recognised gains and losses is given

All amounts relate to continuing operations

ICP GENERAL PARTNER LIMITED

Balance Sheet at 31 December 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	7	3,571	5,141
Investments	8	<u>2</u>	<u>2</u>
		3,573	5,143
Current assets			
Debtors	9	2,955,302	1,790,890
Cash at bank and in hand		<u>1,139,656</u>	<u>1,912,944</u>
		4,094,958	3,703,834
Current liabilities			
Creditors Amounts falling due within one year	10	(3,145,149)	(2,995,545)
Net current assets		<u>949,809</u>	<u>708,289</u>
Net assets		<u>953,382</u>	<u>713,432</u>
Capital and reserves			
Called up share capital	12	400,000	400,000
Capital redemption reserve		100	100
Profit and loss account	13	<u>553,282</u>	<u>313,332</u>
Equity shareholders' funds	14	<u>953,382</u>	<u>713,432</u>

Approved by the board on 25 April 2012 and signed on its behalf by

J.R.V. Brandon

JRV Brandon
Director

Notes to the Financial Statements for the year ended 31 December 2011

1. Accounting policies

a) Accounting convention

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

The financial statements present information about the company as an individual undertaking and not about its group

Group financial statements are not presented as the company is exempt by virtue of Section 400 of the Companies Act 2006 on the basis that it is a wholly-owned subsidiary of another company incorporated in the United Kingdom, which itself prepares group financial statements (see note 15)

b) Going concern

The Director's Report includes a section on Review of the Business and Future Developments and a section on Principle Risks on page 3

The company has significant financial resources and positive net assets. The company continues to provide services to members of Lloyd's for 2012. As a consequence the directors believe that the company continues to be able to manage its business risks successfully

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

c) Turnover

Turnover comprises underwriting agency fees and performance fees. Underwriting agency fees are taken to credit on an accruals basis. Performance fees are recognised when there is a reasonable degree of certainty that they are receivable

d) Other income and expenses

Other income and expenses are dealt with on an accruals basis. Other operating income includes fees charged for accounting services

e) Depreciation

Depreciation is provided by the company to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows -

Computer equipment	3 years
Fixtures and fittings	5 years

f) Operating leases

Instalments on operating lease contracts are charged to the profit and loss account for the period to which they apply

g) Investments

Investments are stated at the lower of cost or net realisable value

h) Cash flow statement

Under FRS 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that ICP Holdings Limited, the ultimate parent company, publishes consolidated financial statements which include the affairs of this company

i) Related party transactions

The company has taken advantage of the exemption contained in FRS 8 not to disclose related party transactions or balances with certain entities which form part of the group. The consolidated financial statements of ICP Holdings Limited, within which this company's affairs are included, can be obtained from the address shown in note 17

ICP GENERAL PARTNER LIMITED

Notes to the Financial Statements for the year ended 31 December 2011

1. Accounting policies (continued)

j) Taxation

The charge for taxation is based on the profit for the year and takes into account deferred tax. Deferred tax is recognised, without discontinuing in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Deferred tax assets are recognised to the extent that the directors consider these amounts recoverable.

2. Turnover

	2011 £	2010 £
Turnover comprises		
Management fees	1,408,099	1,430,828
Performance fees	1,247,002	824,247
	<u>2,655,101</u>	<u>2,255,075</u>

All the turnover relates to UK income.

3. Operating Profit

	2011 £	2010 £
Operating profit is stated after charging		
Auditor's remuneration		
- audit fee	7,350	6,500
- non-audit	4,080	3,404
Depreciation	<u>6,925</u>	<u>5,472</u>

4. Staff costs

Staff costs, including directors' emoluments were

	2011 £	2010 £
Salaries and related costs	337,500	395,659
Social security costs	41,038	44,615
Other pension costs	8,590	10,291
	<u>387,128</u>	<u>450,565</u>

The average number of staff employed by the company was 3 (2009: 3).

5. Directors' emoluments and transactions

	2011 £	2010 £
Directors' remuneration	<u>276,477</u>	<u>331,240</u>
	<u>276,477</u>	<u>331,240</u>

The aggregate emoluments of the highest paid director excluding pension contributions were £188,627 (2010: £215,000) and that person's associated pension contributions were £nil (2010: £nil).

No directors (2010: nil) are accruing benefits under defined contribution pension schemes.

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Notes to the Financial Statements for the Year Ended 31 December 2011 (continued)

6. Taxation

	2011 £	2010 £
(i) Analysis of tax charge in the year		
UK corporation tax at 26.5% (2010 – 28%)	(535,886)	(446,739)
Over/(Under)-provision in prior year	11,116	(5,968)
	<u>(524,770)</u>	<u>(452,707)</u>
(ii) Factors affecting tax charge for the year		
Profit on ordinary activities before tax	<u>2,014,720</u>	<u>1,590,163</u>
Tax charge at 26.5% (2010 – 28%)	(533,901)	(445,245)
Effects of		
Expenses disallowed for tax purposes	(866)	(676)
Depreciation	(1,835)	(1,532)
Capital allowances	716	714
	<u>(535,886)</u>	<u>(446,739)</u>

£27,871 of the previous year's liability has been group relieved and this amount is payable to a group company

7 Tangible fixed assets

	Fixtures and Fittings £	Computer Equipment £	Total £
Cost			
At 1 January 2011	18,847	11,938	30,785
Additions	-	5,355	5,355
At 31 December 2011	<u>18,847</u>	<u>17,293</u>	<u>36,140</u>
Depreciation			
At 1 January 2011	15,076	10,568	25,644
Charge for the year	3,770	3,155	6,925
At 31 December 2011	<u>18,846</u>	<u>13,723</u>	<u>32,569</u>
Net book value			
At 31 December 2011	<u>1</u>	<u>3,570</u>	<u>3,571</u>
At 31 December 2010	<u>3,771</u>	<u>1,370</u>	<u>5,141</u>

8. Investments

	2011 £	2010 £
Unlisted investments		
Cost		
At 1 January and 31 December 2011	<u>2</u>	<u>2</u>

The investment is in ICP Securities Ltd a company incorporated in Guernsey

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Notes to the Financial Statements for the Year Ended 31 December 2011 (continued)

9. Debtors

	2011	2010
	£	£
Amounts owed by group undertakings	489,936	364,749
Prepayments and accrued income	2,183,774	1,185,033
Other debtors	281,592	241,108
	<u>2,955,302</u>	<u>1,790,890</u>

Accrued income includes £2,165,604 due from group undertakings (2010 - £1,119,450) Also nil of accrued income relates to amounts due over one year (2010 - £486,669)

10 Creditors

	2011	2010
	£	£
Amounts falling due within one year		
Amounts owed to group undertakings	3,039,267	2,477,660
Other creditors	1,507	57,192
Corporation tax	77,468	408,763
Accruals	26,906	51,930
	<u>3,145,148</u>	<u>2,995,545</u>

11. Leasing commitments

The annual commitment under non-cancellable operating leases charged to the companies is as follows

	Office Equipment 2011 £	Office Equipment 2010 £	Land and Buildings 2011 £	Land and Buildings 2010 £
Leases expiring within two years	<u>11,296</u>	<u>11,296</u>	<u>45,900</u>	<u>45,900</u>

12 Share capital

	Called up, issued and fully paid 2011 £	Called up, issued and fully paid 2010 £
399,000 'A' Ordinary Shares at £1 each	399,000	399,000
1,000 'B' Ordinary Shares at £1 each	1,000	1,000
	<u>400,000</u>	<u>400,000</u>

The 399,000 'A' Ordinary shares confer the right to participate in all dividends and to attend or vote at general meetings The 1,000 'B' Ordinary shares do not confer the right to participate in dividends

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Notes to the Financial Statements for the Year Ended 31 December 2011 (continued)

13. Reserves

	Capital Redemption Reserve £	Profit & Loss Account £	Total £
At 1 January 2011	100	313,332	313,432
Profit for the year	-	1,489,950	1,489,950
Dividends	-	(1,250,000)	(1,250,000)
At 31 December 2011	100	553,282	553,382

14. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	713,432	1,975,976
Profit for the year	1,489,950	1,137,456
Dividends	(1,250,000)	(2,400,000)
Closing shareholders' funds	953,382	713,432
Represented by Equity	953,382	713,432

15. Dividends

	2011 £	2010 £
Equity dividends declared and paid	1,250,000	2,400,000

An interim dividend for 2011 of £450,000 (112 5p per share for A and B ordinary shares) was approved and paid on 7 April 2011. An interim dividend for 2011 of £800,000 (200p per share for A and B ordinary shares) was approved and paid on 7 December 2011.

16. Related Parties

ICP Holdings Ltd is the parent company of ICP Capital Ltd, a corporate member of Lloyd's and ICP General Partner Ltd, a Lloyd's members' agent. ICP General Partner Ltd manages Insurance Capital Partners LP which provides capital to the Funds at Lloyd's ("FAL") of ICP Capital Ltd, Castell Underwriting Ltd, Rudyco Ltd, Blair Underwriting Ltd, Nameco (No 921) Ltd and David Scott Underwriting Ltd, through ICP Securities Ltd, a company incorporated in Guernsey. Insurance Capital Partners LP is not a member of the ICP Holdings group.

Under FAL provision agreements between ICP Capital Ltd, Castell Underwriting Ltd, Rudyco Ltd, Blair Underwriting Ltd, Nameco (No 921) Ltd and David Scott Underwriting Ltd and ICP Securities Ltd, ICP Securities Ltd receives interest on the FAL and a profit participation. Under loan agreements and undertakings between ICP Securities Ltd and Insurance Capital Partners LP, the latter receives the benefit of the FAL interest and profit participation.

One director, Lord Marland of Odstock was a director of Jubilee Group Holdings Limited, the parent company of Jubilee Motor Policies Limited and Cassidy Capital Limited, for which Insurance Capital Partners LP provided FAL to support that company's underwriting. The terms of the participation with these companies were on a similar basis to the other participants including this director. Jubilee Group manages the syndicates underwritten by these companies and makes charges to these companies on an arm's length basis.

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Notes to the Financial Statements for the Year Ended 31 December 2011 (continued)

16. Related Parties (continued)

The directors, RFM Adair, Sir Nicholas Bacon, CAA Harbord-Hamond, Lord Marland of Odstock and RCW Odey have participated as partners in Insurance Capital Partners LP for the 2007 to the 2012 years of account

17. Ultimate Parent company

The company is a subsidiary of ICP Holdings Limited, a company registered in England & Wales. The company's results are consolidated in the group accounts of ICP Holdings Limited, copies of which are available at Unit 25, Jack's Place, 6 Corbet Place, London E1 6NN