

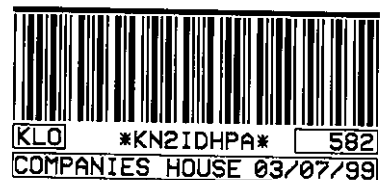
**Company Registration No. 3431210**

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the period ended 31 December 1998**

**Nameco (No 21)  
Limited**

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# **Nameco (No 21) Limited**

## **Company information**

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<b>Directors</b>	J R H Evans Nomina plc
<b>Secretary</b>	L Egremont
<b>Company number</b>	3431210
<b>Registered office</b>	42 Crutched Friars London EC3N 2AP
<b>Auditors</b>	Mazars Neville Russell 24 Bevis Marks London EC3A 7NR
<b>Business address</b>	42 Crutched Friars London EC3N 2AP
<b>Bankers</b>	National Westminster Bank plc 1 Princes Street London EC2R 8PA
<b>Solicitors</b>	Gouldens 22 Tudor Street London EC4Y 0JJ

# **Nameco (No 21) Limited**

## **Directors' report For the period ended 31 December 1998**

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The directors present their report and financial statements for the period ended 31 December 1998.

### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

### **Directors**

The following directors have held office since 9 September 1997:

J R H Evans	(Appointed 9 September 1997)
Nomina plc	(Appointed 9 September 1997)

### **Directors' interests**

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 December 1998	9 September 1997
J R H Evans	-	-
Nomina plc	1	1

### **Principal activities and review of the business**

The company was incorporated on 9 September 1997 and commenced its principal activity of trading as a Lloyd's corporate capital member on 1 January 1998. Both the level of business and the period end financial position were satisfactory.

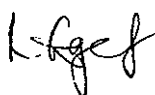
### **Results and dividends**

The results for the period are set out on pages 3 to 4.

### **Auditors**

Mazars Neville Russell were appointed auditors to the company and a resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting.

Approved by the Board on 28 June 1999  
and signed on its behalf by



L Egremont  
Secretary

# **Nameco (No 21) Limited**

## **Auditors' report**

### **To the shareholders of Nameco (No 21) Limited**

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We have audited the financial statements on pages 3 to 17 which have been prepared following the accounting policies set out on page 8.

#### **Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in 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 1998 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



CHARTERED ACCOUNTANTS  
and Registered Auditors  
London

29 June 1999

# Nameco (No 21) Limited

## Technical account For the period ended 31 December 1998

	Notes	Period ended 31 December 1998 £
<b>Earned premiums, net of reinsurance</b>		
Gross premiums written	3	411,031
Outward reinsurance premiums		(104,980)
		<hr/>
Net premiums written		306,051
 Allocated investment return transferred from the non-technical account		 1,925
 <b>Claims paid</b>		
Gross amount	3	(47,276)
Reinsurers' share		15,099
		<hr/>
		(32,177)
 <b>Change in provision for claims</b>		
Gross amount	3	(195,172)
Reinsurers' share		26,968
		<hr/>
		(168,204)
 Net claims incurred		 (200,381)
 Net operating expenses	4	 (107,464)
 Investment expenses and charges		 (131)
		<hr/>
Balance transferred to the non-technical account		-
		<hr/> <hr/>

## **Nameco (No 21) Limited**

### **Non-technical account For the period ended 31 December 1998**

		<b>Period ended 31 December 1998</b>
	<b>Notes</b>	<b>£</b>
Balance on the general business technical account		-
Investment income	5	1,926
Allocated investment return transferred to the general business technical account		(1,925)
Other income	6	16,665
Other charges, including value adjustments	7	(2,250)
<b>Profit on ordinary activities before taxation</b>	8	14,416
Tax on profit on ordinary activities	9	(3,970)
<b>Profit on ordinary activities after taxation</b>	14	10,446

The company has no gains or losses other than the profit or loss for the period.

All items derive from continuing activities.

No operations were acquired or discontinued in the period.

# Nameco (No 21) Limited

## Balance sheet

As at 31 December 1998

	Notes	Syndicate £	1998 Other £	Total £
<b>Assets</b>				
Intangible assets	10	-	17,155	17,155
<b>Investments</b>				
Financial investments	11	39,513	-	39,513
Deposits with ceding undertakings		40	-	40
		39,553	-	39,553
<b>Reinsurers' share of technical provisions</b>				
Claims outstanding		20,624	-	20,624
<b>Debtors</b>				
Debtors arising out of direct insurance operations:				
Due from intermediaries		101,787	-	101,787
Debtors arising out of reinsurance operations		49,657	-	49,657
Other debtors		4,488	394	4,882
		155,932	394	156,326
<b>Other assets</b>				
Cash at bank and in hand		9,259	2,403	11,662
Other		6,715	-	6,715
		15,974	2,403	18,377
<b>Prepayments and accrued income</b>				
Other prepayments and accrued income		640	-	640
<b>Total assets</b>		<b>232,723</b>	<b>19,952</b>	<b>252,675</b>

# Nameco (No 21) Limited

## Balance sheet

As at 31 December 1998

	Notes	Syndicate £	1998 Other £	Total £
<b>Liabilities</b>				
<b>Capital and reserves</b>				
Called up share capital	12	-	1	1
Profit and loss account	13	-	10,446	10,446
		<hr/>	<hr/>	<hr/>
Shareholders' funds	14	-	10,447	10,447
		<hr/>	<hr/>	<hr/>
<b>Technical provisions</b>				
Claims outstanding - gross amount		188,634	-	188,634
		<hr/>	<hr/>	<hr/>
<b>Provisions for other risks and charges</b>				
Provision for taxation		-	-	-
		<hr/>	<hr/>	<hr/>
<b>Deposits received from reinsurers</b>				
		312	-	312
		<hr/>	<hr/>	<hr/>
<b>Creditors</b>				
Creditors arising out of direct insurance operations		10,390	-	10,390
Creditors arising out of reinsurance operations		22,803	-	22,803
Other creditors including taxation and social security	15	9,780	9,505	19,285
		<hr/>	<hr/>	<hr/>
		42,973	9,505	52,478
		<hr/>	<hr/>	<hr/>
<b>Accruals and deferred income</b>				
		804	-	804
		<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>		<u>232,723</u>	<u>19,952</u>	<u>252,675</u>

Approved by the Board of directors on 28 June 1999  
and signed on its behalf by:

  
Nomina plc  
Director



# Nameco (No 21) Limited

## Cash flow statement For the period ended 31 December 1998

	Note	Period ended 31 December 1998 £
<b>Operating activities</b>		
Net cash inflow/(outflow) from operating activities	16(a)	2,893
<b>Capital expenditure</b>		
Payments to acquire intangible assets		(17,155)
Proceeds from the sale of intangible assets		16,665
		<u>(490)</u>
Net cash inflow		<u>2,403</u>
<b>Cash flows were invested as follows</b>		
Increase in cash holdings	16(b)	2,403
Net investment of cash flows		<u>2,403</u>
<b>Movement in opening and closing portfolio investments net of financing</b>		
Cash inflow		2,403
Total movement in portfolio investment net of financing		2,403
Portfolio investments net of financing at 9 September 1997	16(b)	-
Portfolio investments net of financing at 31 December 1998	16(b)	<u>2,403</u>

Note: The amounts above exclude the cash flows of syndicate underwriting except to the extent that sums are paid to or received from the company or its own premiums trust fund.

# **Nameco (No 21) Limited**

## **Notes to the financial statements For the period ended 31 December 1998**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial investments.

#### **1.2 Basis of accounting for underwriting results**

All classes of insurance business written are accounted for on a three year funded basis because it is the basis most similar to that followed by the syndicate. The nature of the information Managing Agents can make available is insufficient for the company to make reliable estimates of the necessary technical provisions on an annual basis of accounting. Under the three year funded basis followed by the company, the excess of premiums written and attributable net investment return over claims and expenses paid in respect of contracts incepting in an accounting period ("the underwriting year") is carried forward as a technical provision until the end of the third year from the inception of the underwriting year. Consequently, no profit is recognised in respect of an underwriting year until that time at the earliest. Profit is only recognised if a syndicate has been able to effect a "reinsurance to close" (see (1.6) below) in respect of that underwriting year.

If an underwriting year is expected to make a loss, the loss is recognised as soon as it is foreseen by increasing the technical provision to make it sufficient to meet present liabilities and anticipated future claims and expenses.

#### **1.3 Premiums**

Premiums written comprise the total premiums receivable for the whole period of cover provided by the contracts inception during the financial year, together with any adjustments arising in the year to such premiums receivable in respect of business written in prior years. Premiums are shown gross of commission payable to intermediaries and exclude insurance premium tax.

Gross premiums written may include "reinsurance to close" receivable (see (1.6) below).

Premiums written by a syndicate may also include the reinsurance of other syndicates on which the company participates. No adjustments have been made to gross premiums written or outward reinsurance premiums (or to gross and reinsurers' claims) to remove this intersyndicate reinsurance.

Outward reinsurance premiums may include "reinsurance to closes" payable (see (1.6) below).

#### **1.4 Claims incurred**

Claims incurred include the costs of claims handling expenses. Recoverable amounts arising out of subrogation or salvage are deducted from the cost of claims. Claims incurred comprise amounts paid or provided in respect of claims occurring during the year to 31 December, together with the amount by which settlement or reassessment of claims from previous years differ from the provision at the beginning of the year.

#### **1.5 Provision for claims**

Provision is made for claims incurred but not paid in respect of events up to 31 December. The provision includes the amounts required to ensure no profit is recognised before the end of the third year under the three year funded basis of accounting (see (1.2) above).

The provision has been increased as appropriate by the company to the extent that deficits are foreseen on underwriting years before the 36 months point is reached.

In deciding whether any such additional provision is necessary syndicate participations have been considered in aggregate as all Lloyd's underwriting is managed together.

# **Nameco (No 21) Limited**

## **Notes to the financial statements For the period ended 31 December 1998**

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The provision is based on the Returns and report from the Managing Agents and/or the company's licensed adviser/Members' Agent. When appropriate, statistical methods have been applied to past experience of claims frequency and severity.

### **1.6 Reinsurance to close**

A reinsurance to close is a particular type of reinsurance contract entered into by Lloyd's syndicates. Under it, underwriting members (the reinsured members) who are members of a syndicate for a year of account (the closed year), agree with underwriting members who comprise that or another syndicate for a later year of account (the reinsuring members) that the reinsuring members will indemnify, discharge or procure the discharged, of the reinsured members against all known and unknown liabilities of the reinsured members arising out of insurance business undertaken through that syndicate and allocated to the closed year in consideration of:

(a) a premium; and

(b) either

(i) the assignment, or agreement to assign, to the reinsuring members of all the rights of the reinsured members arising out of, or in connection with, that insurance business (including without limitation the right to receive all future premiums, reinsurances and other monies receivable in connection with that insurance business); or

(ii) an agreement by the reinsured members that the reinsuring members shall collect on behalf of the reinsured members the proceeds of all such rights and retain them for their own benefit so far as they are not applied in discharges of the liabilities of the reinsured members.

Where the reinsurance to close is between members on successive years of account of the same syndicate, the managing agent has a duty to ensure both sets of members are treated equitably and to set the reinsurance to close with the intention that neither a profit nor a loss accrues to either group of members.

To the extent that the company participates on successive years of account of the same syndicate and there is a reinsurance to close between those years, the company has offset its share of the reinsurance to close received against its share of the reinsurance to close paid.

If the company has increased its participation from one year of account to the next, the reinsurance to close paid is eliminated, as a result of this offset, leaving an element of the reinsurance to close received. This reflects the fact that the company has assumed a greater proportion of the business of the syndicate. If the company has reduced its participation from one year of account to the next, the reinsurance to close received is eliminated, leaving an element of the reinsurance to close paid. This reflects the reduction in the company's exposure to risks previously written by the syndicate.

The reinsurance to close is technically a reinsurance contract and, as such, the payment of a reinsurance to close does not remove from members of that year of account ultimate responsibility for claims payable on risks they have written. If the reinsuring members under the reinsurance to close become insolvent and the other elements of the Lloyd's chain of security also fail, the reinsured members remain theoretically liable for the settlement of any outstanding claims.

However, payment of a reinsurance to close is conventionally accepted as terminating a reinsured member's participation on a syndicate year of account and it is treated for accounts purposes as settling all the company's outstanding gross liabilities in respect of the business so reinsured.

# **Nameco (No 21) Limited**

## **Notes to the financial statements For the period ended 31 December 1998**

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### **1.7 Investments**

Listed and other traded investments are stated at mid-market values. Other investments are stated at directors' valuations. Unrealised gains and losses are recognised in the profit and loss account.

### **1.8 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 valuation at the previous year end, or cost if there has been no previous revaluation.

Where investments represent the company's share of syndicate investments, they are treated as sold and repurchased at each year end in recognition of the annual venture nature of participation on a syndicate. The cost of these investments is therefore their market value at each 31 December. 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.

### **1.9 Investments expenses and charges**

Investment expenses and charges comprise investment management expenses and losses on the realisation of investments. Realised losses arise from the difference between proceeds and valuation at the previous year end, or cost if there has been no previous revaluation. The realised losses reported by Syndicates are net of any realised gains.

### **1.10 Net operating expenses**

Operating expenses are recognised when incurred. They include the company's share of syndicate operating expenses, the remuneration payable to Managing Agents (and the company's Members' Agent/licensed adviser) and the direct costs of membership of Lloyd's. Where they relate to the company's underwriting, they are taken into account in calculating the technical provision required under the three year funded basis of accounting.

### **1.11 Other charges**

Expenses not attributable to underwriting or investment management are recognised when incurred.

### **1.12 Foreign currencies**

Transactions in foreign currencies other than sterling, United States dollars and Canadian dollars are translated at the rates of exchange ruling at the date the transaction is processed. Unless otherwise stated, transactions in United States dollars and Canadian dollars and assets and liabilities in currencies other than sterling are translated at the rates of exchange ruling at the end of the financial year. Exchange differences arising on translation are dealt with in the profit and loss account.

### **1.13 Syndicate participation rights**

Where the company has purchased the right to participate on Syndicates, the cost is capitalised and amortised in equal annual installments over five years.

### **1.14 Taxation**

The company is taxed on its share of the underwriting results declared by Syndicates and these are deemed to accrue evenly over the calendar year in which they are declared. The syndicate results (excluding any additional provisions made by the directors) relating to the 1998 account will be declared for tax purposes in the calendar year 2001.

Other profits are assessable to corporation tax in the same period as they are recognised for accounting purposes, after adjustment in accordance with tax legislation.

# **Nameco (No 21) Limited**

## **Notes to the financial statements For the period ended 31 December 1998**

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### **1.15 Deferred taxation**

Deferred tax is provided in respect of the tax effect of all timing differences to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse. One such timing difference is that between the time when underwriting results are reported for accounting purposes and when they are declared for tax purposes.

## **2 Basis of preparation of financial statements**

### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with Section 255 of, and Schedule 9A to, the Companies Act 1985 ("the Act") and in accordance with applicable Accounting Standards.

### **2.2 Recognition of insurance transactions**

Preparing financial statements in accordance with Section 255 of, and Schedule 9A to, the Act has required the company to recognise its proportion of all the transactions undertaken by the Lloyd's syndicates in which it participates ("the Syndicates").

For each such syndicate, the company's proportion of the underwriting transactions, investment return and operating expenses has been reflected within the company's profit and loss account. Similarly, its proportion of the Syndicate's assets and liabilities has been reflected in its balance sheet (under the column heading "syndicate"). The "syndicate" assets are held subject to trust deeds for the benefit of the company's insurance creditors.

The proportion referred to above is calculated by reference to the company's participation as a percentage of the Syndicate's total capacity.

The company has delegated sole management and control of its underwriting through each Syndicate to the managing agent of the Syndicate ("the Managing Agent") and it has further undertaken not to interfere with the exercise of such management and control. The Managing Agents of the Syndicates are therefore responsible for determining the insurance transactions to be recognised by the company. The only exception to this rule is the level of provision for outstanding claims. These provisions have been determined by the directors of the company (see 1.5 above).

### **2.3 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 the Syndicates ("the Returns"). These Returns have been subjected to audit by the syndicate auditors and are based on the audited syndicate returns to Lloyd's and the audited annual reports to Syndicate members. This base data has been adjusted as necessary so that the Returns reflect the differences in preparation between syndicate annual reports and financial statements in accordance with Schedule 9A.

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.

The returns cover the 12 months to 31 December 1998.

# Nameco (No 21) Limited

## Notes to the financial statements For the period ended 31 December 1998

3 Segmental Information	Gross premiums written	Gross claims incurred	Gross operating expenses	Reinsurance balance	Total
Period ended 31 December 1998	£	£	£	£	£
<b>Direct business</b>					
Accident and health	16,695	(9,577)	(4,554)	(2,200)	364
Motor - third party liability	15,282	(9,560)	(3,060)	(1,958)	704
Motor - other classes	66,984	(44,518)	(14,780)	(5,414)	2,272
Marine, aviation and transport	43,415	(37,401)	(9,614)	(607)	(4,207)
Fire and other damage to property	70,850	(39,684)	(19,019)	(10,679)	1,468
Third party liability	79,549	(39,135)	(17,439)	(14,972)	8,003
Credit and suretyship	2,077	(1,103)	(507)	(114)	353
Legal expenses	3,772	(456)	(866)	(803)	1,647
Assistance	13	(5)	(3)	(4)	1
Other	11,501	(5,884)	(2,917)	(1,350)	1,350
<b>Total direct</b>	<b>310,138</b>	<b>(187,323)</b>	<b>(72,759)</b>	<b>(38,101)</b>	<b>11,955</b>
<b>Reinsurance business</b>					
Other reinsurance acceptances	100,893	(64,803)	(20,288)	(12,135)	3,667
Reinsurance to close	-	9,678	-	(12,282)	(2,604)
	<b>411,031</b>	<b>(242,448)</b>	<b>(93,047)</b>	<b>(62,518)</b>	<b>13,018</b>
					<b>1998</b>
					<b>£</b>
<b>Gross premiums in respect of direct business written in:</b>					
United Kingdom					307,258
Other EU Member states					537
Rest of the world					2,343
					<b>310,138</b>

# Nameco (No 21) Limited

## Notes to the financial statements For the period ended 31 December 1998

<b>4</b>	<b>Net operating expenses</b>	<b>1998</b>
		<b>£</b>
	Acquisition costs	76,869
	Administrative expenses	16,209
	(Profit)/loss on exchange	(31)
		<hr/>
		93,047
	Names' personal expenses on Lloyd's syndicates	14,417
		<hr/>
		107,464
		<hr/>
<b>5</b>	<b>Investment income</b>	<b>1998</b>
		<b>£</b>
	Interest receivable	1,725
	Dividend income receivable	201
		<hr/>
		1,926
		<hr/>
<b>6</b>	<b>Other income</b>	<b>1998</b>
		<b>£</b>
	Profit/(loss) on sale of intangible assets	16,665
		<hr/>
<b>7</b>	<b>Other charges, including value adjustments</b>	<b>1998</b>
		<b>£</b>
	Management fees	2,250
		<hr/>
<b>8</b>	<b>Profit/(loss) on ordinary activities before taxation</b>	
	The auditor's remuneration of £290 is charged to the parent company Nomina plc and then recharged to the company as part of the management fee.	
<b>9</b>	<b>Taxation</b>	<b>1998</b>
		<b>£</b>
	U.K. corporation tax at 31%	3,970
		<hr/>

# Nameco (No 21) Limited

## Notes to the financial statements For the period ended 31 December 1998

### 10 Intangible assets

#### Syndicate participation rights

	£
Net book value	
At 9 September 1997	-
Additions	17,155
Disposals	(16,665)
Gains	16,665
At 31 December 1998	<u>17,155</u>

The capacity of the Nameco was gifted into the company at nil cost.

During the period, the Nameco disposed of capacity for £16,665, which is further disclosed in note 6.

### 11 Financial investments

Syndicate	1998 Historic cost £	1998 Market value £
Shares and other variable yield securities	797	1,065
Debt securities and other fixed income securities	29,686	30,342
Participation in investment pools	1,771	1,689
Loans guaranteed by mortgage	46	46
Deposits with credit institutions	5,643	6,007
Other	335	364
	<u>38,278</u>	<u>39,513</u>
Analysis of market value		1998 £
Listed on the stock exchange		30,248
Other listed		7,115
Unlisted		2,150
		<u>39,513</u>



# Nameco (No 21) Limited

## Notes to the financial statements For the period ended 31 December 1998

<b>12 Share capital</b>		<b>1998</b>
		<b>£</b>
Authorised		
100 Ordinary shares of £1 each		100
		<u>          </u>
Allotted, called up and fully paid		
1 Ordinary shares of £1 each		1
		<u>          </u>
<b>13 Statement of movements on reserves</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Balance at 9 September 1997	-	-
Retained profit for the period	10,446	10,446
	<u>          </u>	<u>          </u>
Balance at 31 December 1998	10,446	10,446
	<u>          </u>	<u>          </u>
<b>14 Reconciliation of movements in shareholders' funds</b>		<b>1998</b>
		<b>£</b>
Profit for the financial period		10,446
Proceeds from issue of shares		1
		<u>          </u>
Net addition to shareholders' funds		10,447
Opening shareholders' funds		-
		<u>          </u>
Closing shareholders' funds		10,447
		<u>          </u>
<b>15 Other creditors including taxation and social security</b>		<b>1998</b>
		<b>£</b>
Corporation tax		3,970
Other creditors		5,535
		<u>          </u>
		9,505
		<u>          </u>

# Nameco (No 21) Limited

## Notes to the financial statements For the period ended 31 December 1998

### 16 Cash Flow Statement

1998

£

#### (a) Reconciliation of profit or loss on ordinary activities before tax to net cash inflow from operating activities:

Profit or loss on ordinary activities before tax	14,416
Increase in debtors	(394)
Increase in creditors	5,536
Profit on disposal of intangible assets	(16,665)
Net cash inflow from operating activities	2,893

Technical account transactions represent the company's share of the transactions undertaken by syndicates. The cashflows arising from these transactions are not remitted to or paid by the company but paid into or out of syndicate premiums trust funds held by trustees appointed by the Managing Agent of each syndicate. If the Syndicate premiums trust funds are insufficient for the Syndicate to meet its liabilities as they fall due, a cash call is made by the Managing Agents on all members of the Syndicate and the company pays its share pro-rata. Exceptionally Lloyd's has also permitted Managing Agents to make transfers in respect of the 1994 and 1995 underwriting years from Syndicate premiums trust funds before these years of account have been closed by a reinsurance to close. These transfers have been made to members' premiums trust funds and the company's funds have been credited with its share accordingly.

Once a syndicate has effected a reinsurance to close in respect of a year of account, any distributable profit is available for release from the syndicate premiums trust funds to the participating members and any loss is collected from them. The company receives or pays its pro-rata share of any profit distributed or loss collected.

#### (b) Movement in cash, portfolio investments and financing

	At 9 September 1997	Cashflow	Changes to market value and currencies	Other changes	At 31 December 1998
	£	£	£	£	£
Cash in hand	-	2,403	-	-	2,403
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-
	-	2,403	-	-	2,403

# **Nameco (No 21) Limited**

## **Notes to the financial statements For the period ended 31 December 1998**

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### **17 Related party disclosure**

The following Managing Agents managed more than 10% of the company's capacity on the underwriting years on which it participates

<b>Managing Agent</b>	<b>% of company's aggregate limit for year 1998</b>
Brockbank Syndicate Management Limited	11

The company's 1998 underwriting is supported by assets made interavailable to it by Mr R R Spiegel, a shareholder in the ultimate parent company.