

**Company registration number: 3807890**

# **Label Underwriting Limited**

## **Report and financial statements 31 December 2012**

### **Contents:**

<b>Company information</b>	<b>1</b>
<b>Report of the director</b>	<b>2</b>
<b>Independent auditor's Report</b>	<b>4</b>
<b>Profit and loss account - technical account</b>	<b>6</b>
<b>Profit and loss account - non-technical account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Cash flow statement</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11</b>

TUESDAY



LD5 24/09/2013 #13  
COMPANIES HOUSE

# **Label Underwriting Limited**

## **Company information**

### **Director**

Mr S P Rossouw

### **Company Secretary**

Argenta Secretariat Limited

### **Registered Office**

Fountain House  
130 Fenchurch Street  
London EC3M 5DJ

### **Auditors**

Mazars LLP  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

### **Accountants**

Argenta Tax & Corporate Services Limited  
Fountain House  
130 Fenchurch Street  
London EC3M 5DJ

# **Label Underwriting Limited**

## **Report of the Director**

The Director submits his Report together with the audited financial statements of the Company for the year ended 31 December 2012

### **Principal Activities and Business Review**

The principal activity of the Company is that of trading as a run - off Lloyd's corporate capital member. The Company ceased underwriting at 31 December 2002. The Director does not consider the Company to be a going concern and the financial statements have been prepared on a break up basis.

No underwriting result has been incorporated in these financial statements as all syndicates on which the Company participated have been closed by reinsurance prior to the current year end.

### **Results and Dividends**

The results for the year are set out on pages 6 to 7 of the financial statements. Dividends totalling £- were paid in the year (2011 - £-).

### **Financial Risk Management Objectives and Policies**

The Company is principally exposed to financial risk through its participation on Lloyd's Syndicates. It has delegated sole management and control of its underwriting through each Syndicate to the managing agent of that Syndicate and it looks to the managing agents to implement appropriate policies, procedures and internal controls to manage each Syndicate's exposures to insurance risk, credit risk, market risk, liquidity risk and operational risk. The Company is also directly exposed to these risks, but they are not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

Hedge accounting is not used by the Company.

### **Directors**

The Director who served at any time during the year was as follows:

Mr S P Rossouw

# Label Underwriting Limited

## Report of the Director (continued)

### Statement of Director's Responsibilities

The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the Director to prepare financial statements for each financial period. Under that law the Director has 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 Director 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 Director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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. He is 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.

### Auditors

Mazars LLP have signified their willingness to act and continue to be appointed as the Company's auditors.

**In the case of each person who is a Director at the time this report is approved, the following applies:**

- (a) So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board on *14 AUGUST* 2013  
and signed on its behalf by



Director

S P ROSSOUW

# **Label Underwriting Limited**

## **Independent Auditor's report**

### **Independent auditor's report to the member of Label Underwriting Limited**

We have audited the financial statements of Label Underwriting Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement 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).

### **Respective responsibilities of the director and auditors**

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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 and express an opinion on 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. This report, including our opinion, has been prepared for and only for the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the 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 2012 and of its profit/(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 the other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


# **Label Underwriting 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

  
**Markham Grice (Senior statutory auditor)**  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory auditor  
Tower Bridge House  
St Katharine's Way  
London E1W 1DD

17 September 2013

# Label Underwriting Limited

## Profit and loss account

### Technical account – general business

For the year ended 31 December 2012

	Note	2012 £	2011 £
<b>Premiums written</b>			
Gross premiums written		-	-
Outward reinsurance premiums		-	-
		<hr/>	<hr/>
<b>Net premiums written</b>		-	-
<b>Change in the provision for unearned premiums</b>			
Gross provision		-	-
Reinsurers' share		-	-
		<hr/>	<hr/>
<b>Earned premiums, net of reinsurance</b>		-	-
<b>Allocated investment return transferred from the non-technical account</b>		-	-
Other technical income, net of reinsurance		-	-
<b>Claims paid</b>			
Gross amount	-	-	-
Reinsurers' share	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Net claims paid</b>	-	-	-
<b>Change in provision for claims</b>			
Gross amount	-	-	-
Reinsurers' share	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Change in net provision for claims</b>	-	-	-
<b>Claims incurred, net of reinsurance</b>		-	-
<b>Changes in other technical provisions, net of reinsurance</b>		-	-
Net operating expenses		-	-
Other technical charges, net of reinsurance		-	-
	<hr/>	<hr/>	<hr/>
<b>Balance on the technical account for general business</b>		-	-
		<hr/>	<hr/>

The accounting policies and notes on pages 11 to 20 form part of these Financial Statements

## Label Underwriting Limited

### Profit and loss account

### Non - technical account

### For the year ended 31 December 2012

	Note	2012 £	2011 £
<b>Balance on technical account for general business</b>		-	-
Investment income	2	2	3
Unrealised gains on investments		-	-
Investment expenses and charges	3	-	-
Unrealised losses on investments		-	-
Allocated investment return transferred to the general business technical account		-	-
Other income		286	-
Other charges		(54)	(3,620)
<b>Profit/(loss) on ordinary activities before taxation</b>	4	234	(3,617)
Tax on profit/(loss) on ordinary activities	5	(1)	45
<b>Profit/(loss) for the financial year</b>	10	233	(3,572)

The Company has no recognised gains or losses other than the profit or loss for the year

All amounts relate to discontinued operations

In accordance with the amendment to the Financial Reporting Standard 3 “Reporting Financial Performance”, the inclusion of unrealised gains and losses in the profit and loss account to reflect the marking to market of investments in the balance sheet is deemed not to be a material departure from the historical cost basis of accounting

Accordingly, a separate note of historical cost profits and losses is not given

The accounting policies and notes on pages 11 to 20 form part of these Financial Statements



# Label Underwriting Limited

## Balance sheet As at 31 December 2012

	Note	31 December 2012			31 December 2011		
		Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
<b>Assets</b>							
<b>Investments</b>							
Financial investments		-	-	-	-	-	-
Deposits with ceding undertakings		-	-	-	-	-	-
		-	-	-	-	-	-
<b>Reinsurers' share of technical provisions</b>							
Provision for unearned premiums		-	-	-	-	-	-
Claims outstanding		-	-	-	-	-	-
Other technical provisions		-	-	-	-	-	-
		-	-	-	-	-	-
<b>Debtors</b>							
Arising out of direct insurance operations		-	-	-	-	-	-
Arising out of reinsurance operations		-	-	-	-	-	-
Other debtors	7	-	2	2	-	2	2
		-	2	2	-	2	2
<b>Other assets</b>							
Cash at bank and in hand		-	-	-	-	39	39
Other		-	-	-	-	-	-
		-	-	-	-	39	39
<b>Prepayments and accrued income</b>							
Accrued interest		-	-	-	-	-	-
Deferred acquisitions costs		-	-	-	-	-	-
Other prepayments and accrued income		-	-	-	-	-	-
		-	-	-	-	-	-
<b>Total assets</b>		-	2	2	-	41	41

The accounting policies and notes on pages 11 to 20 form part of these Financial Statements

# Label Underwriting Limited

## Balance sheet As at 31 December 2012

		31 December 2012			31 December 2011		
	Note	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
<b>Liabilities and shareholders' funds</b>							
<b>Capital and reserves</b>							
Called up share capital	9	-	2	2	-	2	2
Share premium account		-	-	-	-	-	-
Profit and loss account	10	-	(530,926)	(530,926)	-	(531,159)	(531,159)
<b>Shareholders' funds – attributable to equity interests</b>							
	11	-	(530,924)	(530,924)	-	(531,157)	(531,157)
<b>Technical provisions</b>							
Provision for unearned premiums		-	-	-	-	-	-
Claims outstanding – gross amount		-	-	-	-	-	-
Other technical provisions		-	-	-	-	-	-
<b>Provisions for other risks and charges</b>							
Deferred taxation	12	-	-	-	-	-	-
Other	12	-	-	-	-	-	-
<b>Deposit received from reinsurers</b>							
		-	-	-	-	-	-
<b>Creditors</b>							
Arising out of direct insurance operations		-	-	-	-	-	-
Arising out of reinsurance operations		-	-	-	-	-	-
Amounts owed to credit institutions		-	-	-	-	-	-
Other creditors including taxation and social security	13	-	530,926	530,926	-	531,198	531,198
		-	530,926	530,926	-	531,198	531,198
<b>Accruals and deferred income</b>							
		-	-	-	-	-	-
<b>Total liabilities</b>		-	2	2	-	41	41

Approved and authorised for issue by the Board of Directors on *14 AUGUST* 2013  
and signed on its behalf by



Director  
S P ROSSOUW

Company registration number 3807890

The accounting policies and notes on pages 11 to 20 form part of these Financial Statements

# Label Underwriting Limited

## Cash flow statement

For the year ended 31 December 2012

	Note	2012 £	2011 £
<b>Operating activities</b>			
Net cash inflow/(outflow) from operating activities	14(a)	(38)	(47)
<b>Returns on investments and servicing of finance</b>		-	-
<b>Capital expenditure</b>			
Purchase of syndicate capacity		-	-
Proceeds from sale of syndicate capacity		-	-
<b>Taxation</b>			
Corporation and overseas taxes (paid)/refunded		(1)	45
<b>Equity dividends paid</b>		-	-
<b>Financing</b>			
Issue of shares		-	-
Share issue expenses		-	-
Net cash inflow/(outflow) for the year	14(b)	<u>(39)</u>	<u>(2)</u>
<b>Cash flows were invested as follows:</b>			
Increase/(decrease) in cash holdings		(39)	(2)
Purchase of financial investments		-	-
Sale of financial investments		-	-
Net investment of cash flows	14(b)	<u>(39)</u>	<u>(2)</u>

The Company has no control over the disposition of assets and liabilities at Lloyd's. Consequently, the cash flow statement is prepared reflecting only the movement in corporate funds, which includes transfers to and from the syndicates at Lloyd's.

The accounting policies and notes on pages 11 to 20 form part of these Financial Statements

# **Label Underwriting Limited**

## **Notes to the Financial Statements For the year ended 31 December 2012**

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

#### **Basis of preparation**

The financial statements have been prepared in accordance with the provisions of Schedule 3 to SI 2008/410 and with the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers ("the ABI SORP") in December 2005 (as amended in December 2006)

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

Preparing financial statements in accordance with SI 2008/410 requires the Company to recognise its proportion of all the transactions undertaken by the Lloyd's syndicates in which it participates ("the Syndicates")

The financial statements are prepared using the annual basis of accounting. Under the annual basis of accounting, a result is determined at the end of each accounting period reflecting the profit and loss from providing insurance coverage during that period and any adjustments to the profit or loss of providing insurance cover during earlier accounting periods.

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's 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.

#### **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.

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.

# **Label Underwriting Limited**

## **Notes to the Financial Statements For the year ended 31 December 2012**

### **Accounting policies**

#### **i Accounting convention**

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of financial investments

#### **ii Going concern**

As at 31 December 2012 the company had net liabilities of £530,924 (2011 £531,157) The director does not consider the company to be a going concern and has prepared the financial statements on a break up basis

#### **iii Premiums**

Premiums written comprise the total premiums receivable for the whole period of cover provided by the contracts incepting 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" premiums receivable (see vii below) Outward reinsurance premiums may include "reinsurance to close" premiums payable (see vii 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 Unearned premiums represent the proportion of premiums written in the year that relate to the unexpired terms of policies in force at the balance sheet date, calculated on the basis of established earnings patterns or time apportionment as appropriate

#### **iv 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 prior years differ from the provision at the beginning of the year

#### **v Provision for claims outstanding**

Claims outstanding comprise amounts set aside for claims notified and claims incurred but not yet reported (IBNR) Provision is made for claims incurred but not paid in respect of events up to 31 December The provision is based on the Returns and reports from the Managing Agents and the Company's licensed adviser or Members' Agent When appropriate, statistical methods have been applied to past experience of claims frequency and severity

The two most critical assumptions as regard claims provisions are that the past is a reasonable predictor of the likely level of claims development, and that the rating and other models used for current business are fair reflections of the likely level of ultimate claims to be incurred The director considers the provision for gross claims and related reinsurance recoveries, as based on the Returns to be fairly stated However, ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided Adjustments to amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made

#### **vi Unexpired risk provision**

A provision for unexpired risk is made by the underlying Syndicates where claims, related expenses and deferred acquisition costs, likely to arise after the end of the financial period in respect of contracts concluded before that date, are expected to exceed the unearned premiums and premiums receivable under these contracts, after the deduction of any acquisition costs deferred

# **Label Underwriting Limited**

## **Notes to the Financial Statements For the year ended 31 December 2012**

### **Accounting policies (continued)**

#### **vii 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 discharge, 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

- (1) a premium, and
- (2) either

- (a) 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
- (b) 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.

#### **viii Investments**

**Syndicate** Where investments represent the Company's share of syndicate investments, they are stated at current value at the balance sheet date. For this purpose, listed investments are stated at market value and deposits with credit institutions and overseas deposits are stated at cost. Unlisted investments for which a market exists are stated at the average price at which they are traded on the balance sheet date or the last trading day before that date.

**Corporate** Listed investments held directly by the Company, by the trustees of the Premiums Trust Fund, or as Lloyd's Deposit, are stated at market value. Unlisted investments held directly by the Company are stated at cost less provision for any permanent diminution in value.

# **Label Underwriting Limited**

## **Notes to the Financial Statements For the year ended 31 December 2012**

### **Accounting policies (continued)**

#### **ix Investment return**

Investment income comprises interest receivable and dividends received plus realised and unrealised 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. Unrealised investment gains and losses are calculated as the difference between the valuation at the balance sheet date and the valuation at the last balance sheet date or purchase price, if acquired during the year. Investment income is initially recorded in the non-technical account. All investment income arising on Syndicate participations is allocated to the technical account.

#### **x 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.

#### **xi Foreign currencies**

Transactions in United States dollars, Canadian dollars and Euros are translated at the rates of exchange ruling at the date the transaction is processed or at an appropriate average rate. Unless otherwise stated, transactions in currencies other than United States dollars, Canadian dollars and Euros are translated at the rate of exchange ruling at the date the transaction is processed. Monetary assets and liabilities are retranslated into Sterling at the rate of exchange at the balance sheet date. Non-monetary assets and liabilities at the balance sheet date are maintained at the rate of exchange ruling when the contract was entered into (or an appropriate average rate). Exchange differences arising on translation are dealt with in the profit and loss account.

#### **xii 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 five years.

#### **xiii 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 included in these financial statements (excluding any losses on open years of account) are only declared for tax purposes in the calendar year following closure of the year of account. HM Revenue & Customs agrees the taxable results of Syndicates at a Syndicate level on the basis of computations submitted by the Managing Agent. At the date of approval of these financial statements, the Syndicate taxable results of this year have not been agreed. Any adjustments that may be necessary to the tax provision as a result of HM Revenue & Customs agreement of Syndicate taxable results will be reflected in the financial statements of subsequent periods.

#### **xiv Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

# Label Underwriting Limited

## Notes to the Financial Statements For the year ended 31 December 2012

<b>1. Net Operating Expenses</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Acquisition costs	-	-
Change in deferred acquisition costs	-	-
Administrative expenses	-	-
Reinsurance commissions and profit participations	-	-
Personal expenses	-	-
	-	-
	-	-
<b>2. Investment Income</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Income from investments	-	-
Gains on the realisation of investments	-	-
Bank deposit interest	2	3
	2	3
	2	3
<b>3. Investment Expenses and Charges</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Investment management expenses, including interest	-	-
Losses on the realisation of investments	-	-
	-	-
	-	-
<b>4. Profit/(Loss) on Ordinary Activities before Taxation</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Operating profit/(loss) is stated after charging		
Director's remuneration	-	-
Amortisation of syndicate capacity	-	-
(Profit)/loss on disposal of intangible fixed assets	-	-
(Profit)/loss on exchange	-	120

The Company has no employees and no staff costs are met by the Company

The fees payable to the Company's auditor for audit services are included in the fees payable to the Members' Agent



# Label Underwriting Limited

## Notes to the Financial Statements For the year ended 31 December 2012

### 5. Taxation

	2012 £	2011 £
<b>Analysis of Charge in Period</b>		
Current tax		
UK corporation tax on profit/(loss) of the year	-	-
Adjustment in respect of previous period	-	-
	-	-
Foreign tax	1	(45)
Total current tax	1	(45)
Deferred tax		
Origination and reversal of timing differences	-	-
	1	(45)

#### Factors affecting tax charge for period

The tax assessed for the period is different to the standard rate of corporation tax in the UK of 20.00% (2011 - 20.25%) The differences are explained below

Profit/(loss) on ordinary activities before tax	234	(3,617)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2011 – 20.25%)	47	(732)
Effects of		
Underwriting results subject to timing differences for taxation	-	652
Creation/(utilisation) of tax losses	(47)	72
Foreign tax	1	(36)
Expenses not deductible for tax purposes	-	-
Other corporation computation adjustments	-	-
Marginal rates of taxation and prior period adjustment	-	(1)
Current tax charge for the year	1	(45)

### 6. Dividends

	2012 £	2011 £
<b>Amounts recognised as distributions to equity holders in the period:</b>		
Interim dividends paid	-	-

## Label Underwriting Limited

### Notes to the Financial Statements For the year ended 31 December 2012

#### 7. Other Debtors

	2012			2011		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Amounts due from group undertakings	-	-	-	-	-	-
Other	-	2	2	-	2	2
	-	2	2	-	2	2

#### 8. Funds at Lloyd's

The amount of Funds at Lloyd's is represented in the balance sheet as

	2012			2011		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Cash	-	-	-	-	39	39
Investments	-	-	-	-	-	-
	-	-	-	-	39	39

Funds at Lloyd's represents assets deposited with the Corporation of Lloyd's (Lloyd's) to support the Company's underwriting activities as described in the Accounting Policies. The Company has entered into a Lloyd's Deposit Trust Deed which gives Lloyd's the right to apply these monies in settlement of any claims arising from the participation on the syndicates. These monies can only be released from the provision of this Deed with Lloyd's express permission and only in circumstances where the amounts are either replaced by an equivalent asset, or after the expiration of the Company's liabilities in respect of its underwriting.

#### 9. Called-up Share Capital

	2012 Authorised	2012 Allotted, called-up and fully paid	2011 Authorised	2011 Allotted, called-up and fully paid
Ordinary £1 shares	50,000	2	50,000	2

# Label Underwriting Limited

## Notes to the Financial Statements For the year ended 31 December 2012

### 10. Profit and Loss Account

	2012			2011		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Retained profit/(loss) brought forward	-	(531,159)	(531,159)	3,219	(530,806)	(527,587)
Reallocate distribution	-	-	-	(3,219)	3,219	-
Profit/(loss) for the financial year	-	233	233	-	(3,572)	(3,572)
Equity dividends	-	-	-	-	-	-
Retained profit/(loss) carried forward	-	(530,926)	(530,926)	-	(531,159)	(531,159)

### 11. Reconciliation of Movements in Shareholders' Funds

	2012 £	2011 £
Opening shareholders' funds	(531,157)	(527,585)
Profit/(loss) for the financial year	233	(3,572)
Equity dividends	-	-
Proceeds from issue of shares	-	-
Closing shareholders' funds	(530,924)	(531,157)

### 12. Provision for Other Risks and Charges

Deferred Taxation	2012 £	2011 £
Opening balance	-	-
Profit and loss account charge	-	-
Closing balance	-	-

# Label Underwriting Limited

## Notes to the Financial Statements For the year ended 31 December 2012

### 13. Other Creditors including Taxation and Social Security

	2012			2011		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Corporation tax	-	-	-	-	-	-
Director loan accounts	-	530,926	530,926	-	530,438	530,438
Third party funds	-	-	-	-	-	-
Other creditors	-	-	-	-	760	760
Amount due to group undertakings	-	-	-	-	-	-
	-	530,926	530,926	-	531,198	531,198

### 14. (a) Reconciliation of Operating Profit/(Loss) to Net Cash Inflow/(Outflow) from Operating Activities

	2012 £	2011 £
Profit/(loss) on ordinary activities before tax	234	(3,617)
(Profit)/loss attributable to syndicate transactions	-	3,219
Profit/(loss) – excluding syndicate transactions	234	(398)
(Increase)/decrease in debtors	-	-
Increase/(decrease) in creditors	(272)	351
(Profit)/loss on disposal of intangible assets	-	-
Amortisation of syndicate capacity	-	-
Realised/unrealised (gains)/losses on investments	-	-
Net cash inflow/(outflow) from operating activities	(38)	(47)

### (b) Movement in Cash, Portfolio Investments and Financing

	At 1 January 2012 £	Cashflow £	Changes to Market Value £	At 31 December 2012 £
Cash	39	(39)	-	-
Other financial investments	-	-	-	-
	39	(39)	-	-

### 15. Related Party Disclosure

There are no related party transactions to be disclosed in respect of the Company

## **Label Underwriting Limited**

### **Notes to the Financial Statements For the year ended 31 December 2012**

#### **16. Ultimate Controlling Party**

The Company is controlled by St George Trustee Ltd who holds 100% of the issued £2 ordinary share capital